

The Last American Prisoner of War

Inside the fight to free
Bowe Bergdahl p. 38

TIME

KING BIBI

He's conquered Israel.
But will Netanyahu now
make peace—or war?

BY RICHARD STENGEL



Let's solve 17th place.

In a 2009 study by the Program for International Student Assessment, U.S. students ranked 17th in the world in science, behind countries such as Finland, Estonia and Belgium. We can do better. Let's invest in our teachers. Let's inspire our students. Let's get America back on track.

[exxonmobil.com/letsolve](http://exxonmobil.com/letsolve>this)this

ExxonMobil

Taking on the world's toughest energy challenges.™

Just in case you're curious, the 2009 World Rankings in Science: 1. Finland, 2. Japan, 3. South Korea, 4. New Zealand, 5. Canada, 6. Estonia, 7. Australia, 8. Netherlands, 9. Germany, 10. Switzerland, 11. U.K., 12. Slovenia, 13. Poland, 14. Ireland, 15. Belgium, 16. Hungary, 17. United States, 18. Czech Republic.

6 | Inbox

BRIEFING

9 | Verbatim

10 | LightBox

Joplin, one year later

12 | World

Greece to exit the euro?

14 | Nation

Mark Halperin and Ted Olson on same-sex marriage

18 | Business

A brief history of faux credentials

21 | Milestones

Mexican novelist Carlos Fuentes dies

COMMENTARY

22 | The Curious Capitalist

Rana Foroohar on the risks of risk management

24 | Worldview

Fareed Zakaria on Germany's generosity

27 | In the Arena

Joe Klein on the possibility of progress in Tehran

28 | Viewpoint

Bono on what the G-8 must do for Africa

ON THE COVER:

Photograph by Marco Grob for TIME



A black-tie fundraiser on the National Mall in Washington.
Photograph by Andrew Cutraro for TIME

FEATURES

30 The King of Israel

Benjamin Netanyahu will make history, but what story will he write?

by Richard Stengel

38 Getting Bowe Back

A family's fight to free their son from the clutches of the Taliban

by Aryn Baker and Nate Rawlings

46 Boom Times in the Beltway

As the nation struggles, Washington prospers

by Andrew Ferguson

THE CULTURE

Summer Arts Preview

56 | Movies

Screen offerings from superhero blockbusters to indie dramas to Meryl Streep

60 | Books

Secret histories and unsolved mysteries

62 | Art

Exhibits across America

64 | Television

The season's premieres and perennials

66 | Music

A soundtrack for any kind of summer day

68 | The Awesome Column

Joel Stein on how to say you're sorry for being a jerk in high school

70 | 10 Questions

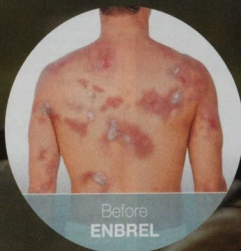
Former Secretary of State Colin Powell

Evil queen
Charlize Theron
in *Snow White and the Huntsman*,
page 56



For adults with chronic moderate to severe plaque psoriasis

Clearer skin



Before
ENBREL



With
ENBREL

**Example of approximately 75% skin clearance after 3 months.
For illustrative purposes only. Your results may vary.**

Bill M., ENBREL user since 2005

Prescription ENBREL is an injection that is clinically proven to provide clearer skin.

In medical studies, nearly half of patients saw a significant improvement in their plaque psoriasis within 3 months of using ENBREL. Overall, 3 out of 4 patients saw improvement. Your results may vary.

ENBREL can lower the ability of your immune system to fight infections. Serious infections have happened in patients taking ENBREL, including tuberculosis (TB).

ENBREL is indicated for the treatment of adult patients (18 years or older) with chronic moderate to severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

IMPORTANT SAFETY INFORMATION

What is the most important information I should know about ENBREL?

ENBREL is a medicine that affects your immune system. ENBREL can lower the ability of your immune system to fight infections. Serious infections have happened in patients taking ENBREL. These infections include tuberculosis (TB) and infections caused by viruses, fungi, or bacteria that have spread throughout the body. Some patients have died from these infections. Your doctor should test you for TB before you take ENBREL and monitor you closely for

TB before, during, and after ENBREL treatment, even if you have tested negative for TB.

There have been some cases of unusual cancers reported in children and teenage patients who started using tumor necrosis factor (TNF) blockers before 18 years of age. Also, for children, teenagers, and adults taking TNF blockers, including ENBREL, the chances of getting lymphoma or other cancers may increase. Patients with RA or psoriasis may be more likely to get lymphoma.

Before starting ENBREL, tell your doctor if you:

- Have any existing medical conditions
- Are taking any medicines, including herbs
- Think you have, are being treated for, have signs of, or are prone to infection. You should not start taking ENBREL if you have any kind of infection, unless your doctor says it is okay

- Have any open cuts or sores
- Have diabetes, HIV, or a weak immune system
- Have TB or have been in close contact with someone who has had TB
- Were born in, lived in, or traveled to countries where there is more risk for getting TB. Ask your doctor if you are not sure
- Live, have lived in, or traveled to certain parts of the country (such as, the Ohio and Mississippi River valleys, or the Southwest) where there is a greater risk for certain kinds of fungal infections, such as histoplasmosis. These infections may develop or become more severe if you take ENBREL. If you don't know if these infections are common in the areas you've been to, ask your doctor
- Have or have had hepatitis B

in 3 months

No out-of-pocket cost for 6 months*

If you and your doctor decide that ENBREL is right for you, ask about help with out-of-pocket costs through **ENBREL Support™**.

Eligible patients can receive up to \$4,000 of assistance for each 6-month period.[†] Patient is responsible for costs above these amounts.

*Eligibility: Open to patients with commercial prescription insurance. Not open to uninsured patients or patients receiving prescription reimbursement under any federal, state, or government-funded insurance programs (for example, Medicare including Medicare Part D,

Medicaid, etc.) or patients who live in Massachusetts (or where prohibited by law). Restrictions, including monthly maximums, may apply. Offer subject to change or discontinuation without notice.

[†]For patients with moderate to severe plaque psoriasis, who are first starting ENBREL and prescribed 50 mg twice-weekly dosing, program provides an additional \$2,000 per patient for the first 3 months of therapy only.



Ask your dermatologist if ENBREL is right for you.

Learn more: Visit AboutEnbrel.com or call 1-888-4ENBREL.



- Have or have had heart failure
- Develop symptoms such as persistent fever, bruising, bleeding, or paleness while taking ENBREL
- Use the medicine Kineret® (anakinra), Orencia® (abatacept), or Cytoxan® (cytotoxic phosphamide)
- Are taking anti-diabetic medicines
- Have, have had, or develop a serious nervous disorder, seizures, any numbness or tingling, or a disease that affects your nervous system such as multiple sclerosis or Guillain-Barre syndrome
- Are scheduled to have surgery
- Have recently received or are scheduled for any vaccines. All vaccines should be brought up-to-date before starting ENBREL. Patients taking ENBREL should not receive live vaccines.

- Are allergic to rubber or latex
- Are pregnant, planning to become pregnant, or breastfeeding
- Have been around someone with chicken pox

What are the possible side effects of ENBREL?

ENBREL can cause serious side effects including: New infections or worsening of infections you already have; **hepatitis B** can become active if you already have had it; **nervous system problems**, such as multiple sclerosis, seizures, or inflammation of the nerves of the eyes; **blood problems** (some fatal); new or worsening **heart failure**; new or worsening **psoriasis**; **allergic reactions**; **autoimmune reactions**, including a lupus-like syndrome and autoimmune hepatitis.

Common side effects include: injection site reactions, upper respiratory infections (sinus infections), and headache.

These are not all the side effects with ENBREL. Tell your doctor about any side effect that bothers you or does not go away.

If you have any questions about this information, be sure to discuss them with your doctor. You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please see Medication Guide on the following page.

©2012 Amgen Inc., Thousand Oaks, CA 91320 and Pfizer Inc. All rights reserved. 60028-R3-V1 03/12



Medication Guide Enbrel® (en-brel) (etanercept)

Read the Medication Guide that comes with Enbrel before you start using it and each time you get a refill. There may be new information. This Medication Guide does not take the place of talking to your doctor about your medical condition or treatment. It is important to remain under your doctor's care while using Enbrel.

Enbrel is a prescription medicine called a Tumor Necrosis Factor (TNF) blocker that affects your immune system.

What is the most important information I should know about Enbrel?

Enbrel may cause serious side effects, including:

1. Risk of Infection

2. Risk of Cancer

1. Risk of infection

Enbrel can lower the ability of your immune system to fight infections. Some people have serious infections while taking Enbrel. These infections include tuberculosis (TB), and infections caused by viruses, fungi or bacteria that spread throughout their body. Some people have died from these infections.

- Your doctor should test you for TB before starting Enbrel.
- Your doctor should monitor you closely for symptoms of TB during treatment with Enbrel even if you tested negative for TB.
- Your doctor should check you for symptoms of any type of infection before, during and after your treatment with Enbrel.

You should not start taking Enbrel if you have any kind of infection unless your doctor says it is okay.

2. Risk of cancer

- There have been cases of unusual cancers in children and teenage patients who started using TNF-blocking agents at less than 18 years of age.
- For children, teenagers and adults taking TNF-blocker medicines, including Enbrel, the chances of getting lymphoma or other cancers may increase.
- People with rheumatoid arthritis or psoriasis, especially those with very active disease, may be more likely to get lymphoma.

Before starting Enbrel, be sure to talk to your doctor:

Enbrel may not be right for you. Before starting Enbrel, tell your doctor about all of your medical conditions, including:

Infections – tell your doctor if you:

- have an infection. (See "What is the most important information I should know about Enbrel?")
- are being treated for an infection.
- think you have an infection.
- have symptoms of an infection such as fever, sweats or chills, cough or flu-like symptoms, shortness of breath, blood in your phlegm, weight loss, muscle aches, warm, red or painful areas on your skin, sores on your body, diarrhea or stomach pain, burning when you urinate or urinating more often than normal and feel very tired.
- have any open cuts on your body.
- get a lot of infections or have infections that keep coming back.
- have diabetes, HIV or a weak immune system. People with these conditions have a higher chance for infections.
- have TB, or have been in close contact with someone with TB.
- were born in, lived in or traveled to countries where there is a risk for getting TB. Ask your doctor if you are not sure.
- live, have lived in or traveled to certain parts of the country (such as the Ohio and Mississippi River valleys, or the Southwest) where there is a greater risk for getting certain kinds of fungal infections (histoplasmosis, coccidioidomycosis, blastomycosis). These infections may happen or become more severe if you use Enbrel. Ask your doctor if you do not know if you live or have lived in an area where these infections are common.
- have or had hepatitis B.

Also, BEFORE starting Enbrel, tell your doctor:

- About all the medicines you take including prescription and nonprescription medicines, vitamins and herbal supplements including:
 - Orencia® (abatacept) or Kineret® (anakinra). You have a higher chance for serious infections when taking Enbrel with Orencia® or Kineret®.
 - Cyclophosphamide (Cytoxan®). You may have a higher chance for getting certain cancers when taking Enbrel with cyclophosphamide.
 - Anti-diabetic medicines. If you have diabetes and are taking medication to control your diabetes, your doctor may decide you need less anti-diabetic medicine while taking Enbrel.

Keep a list of all your medications with you to show your doctor and pharmacist each time you get a new medicine. Ask your doctor if you are not sure if your medicine is one listed above.

Other important information you should tell your doctor BEFORE starting Enbrel, includes if you:

- have or had a nervous system problem such as multiple sclerosis or Guillain-Barre syndrome.
- have or had heart failure.
- are scheduled to have surgery.
- have recently received or are scheduled to receive a vaccine.
- all vaccines should be brought up-to-date before starting Enbrel.
- people taking Enbrel should not receive live vaccines.
- ask your doctor if you are not sure if you received a live vaccine.
- are allergic to rubber or latex.
- the needle covers on the single-use prefilled syringes and the single-use prefilled SureClick® autoinjectors contain dry natural rubber.
- have been around someone with varicella zoster (chicken pox).
- are pregnant or plan to become pregnant. It is not known if Enbrel will harm your unborn baby.
- Pregnancy Registry: Amgen has a registry for pregnant women who take Enbrel. The purpose of this registry is to check the health of the pregnant mother and her child. Talk to your doctor if you are pregnant and contact the registry at 1-877-311-8972.
- are breastfeeding or plan to breastfeed. It is not known if Enbrel passes into your breast milk. You and your doctor should decide if you will take Enbrel or breastfeed. You should not do both.

See the section "What are the possible side effects of Enbrel?" below for more information.

What is Enbrel?

Enbrel is a prescription medicine called a Tumor Necrosis Factor (TNF) blocker.

Enbrel is used to treat:

- moderately to severely active rheumatoid arthritis (RA). Enbrel can be used alone or with a medicine called methotrexate.
- psoriatic arthritis. Enbrel can be used alone or with methotrexate.
- ankylosing spondylitis (AS).
- chronic moderate to severe plaque psoriasis in adults ages 18 years and older.
- moderately to severely active polyarthritis juvenile idiopathic arthritis (JIA) in children ages 2 years and older.

You may continue to use other medicines that help treat your condition while taking Enbrel, such as nonsteroidal anti-inflammatory drugs (NSAIDs) and prescription steroids, as recommended by your doctor.

Enbrel can help reduce joint damage and the signs and symptoms of the above mentioned diseases. People with these diseases have too much of a protein called tumor necrosis factor (TNF), which is made by your immune system. Enbrel can reduce the effect of TNF in the body and block the damage that too much TNF can cause, but it can also lower the ability of your immune system to fight infections. See "What is the most important information I should know about Enbrel?" and "What are the possible side effects of Enbrel?"

Who should not use Enbrel?

Do not use Enbrel if you:

- have an infection that has spread through your body (sepsis).

How should I use Enbrel?

- Enbrel is given as an injection under the skin (subcutaneous or SC).
- if your doctor decides that you or a caregiver can give the injections of Enbrel at home, you or your caregiver should receive training on the right way to prepare and inject Enbrel. Do not try to inject Enbrel until you have been shown the right way by your doctor or nurse.
- Enbrel is available in the forms listed below. Your doctor will prescribe the type that is best for you.
 - Single-use Prefilled Syringe
 - Single-use Prefilled SureClick Autoinjector
 - Multiple-use Vial

• See the detailed "Instructions for Use" with this Medication Guide for instructions about the right way to store, prepare and give your Enbrel injections at home.

• Your doctor will tell you how often you should use Enbrel. Do not miss any doses of Enbrel. If you forget to use Enbrel, inject your dose as soon as you remember. Then, take your next dose at your regularly scheduled time. In case you are not sure when to inject Enbrel, call your doctor or pharmacist. Do not use Enbrel more often than as directed by your doctor.

• Your child's dose of Enbrel depends on his or her weight. Your child's doctor will tell you which form of Enbrel to use and how much to give your child.

What are the possible side effects of Enbrel?

See "What is the most important information I should know about Enbrel?"

Enbrel can cause serious side effects, including:

- Infections. Enbrel can make you more likely to get infections or make any infection that you have worse. Call your doctor right away if you have any symptoms of an infection. See "Before starting Enbrel, be sure to talk to your doctor" for a list of symptoms of infection.
- Hepatitis B infection in people who carry the virus in their blood. If you

are a carrier of the hepatitis B virus is virus that affects the liver, the virus can become active while you use Enbrel. Your doctor may do a blood test before you start treatment with Enbrel and while you use Enbrel.

• Nervous system problems. Rarely, people who use TNF-blocker medicines have developed nervous system problems such as multiple sclerosis, seizures or inflammation of the nerves of the eyes. Tell your doctor right away if you get any of these symptoms: numbness or tingling in any part of your body, vision changes, weakness in your arms and legs and dizziness.

• Blood problems. Low blood counts have been seen with other TNF-blocker medicines. Your body may not make enough of the blood cells that help fight infections or help stop bleeding. Symptoms include fever, bruising or bleeding very easily, or looking pale.

• Heart failure including new heart failure or worsening of heart failure you already have. New or worse heart failure can happen in people who use TNF-blocker medicines like Enbrel. If you have heart failure your condition should be watched closely while you take Enbrel. Call your doctor right away if you get new or worsening symptoms of heart failure while taking Enbrel, such as shortness of breath or swelling of your lower legs or feet.

• Psoriasis. Some people using Enbrel developed new psoriasis or worsening of psoriasis they already had. Tell your doctor if you develop red scaly patches or raised bumps that may be itched with pus. Your doctor may decide to stop your treatment with Enbrel.

• Allergic reactions. Allergic reactions can happen to people who use TNF-blocker medicines. Call your doctor right away if you have any symptoms of an allergic reaction. Symptoms of an allergic reaction include a severe rash, a swollen face or trouble breathing.

• Autoimmune reactions, including:

- Lupus-like syndrome. Symptoms include a rash on your face and arms that gets worse in the sun. Tell your doctor if you have this symptom. Symptoms may go away when you stop using Enbrel.
- Autoimmune hepatitis. Liver problems can happen in people who use TNF-blocker medicines, including Enbrel. These problems can lead to liver failure and death. Call your doctor right away if you have any of these symptoms: feel very tired, skin or eyes look yellow, poor appetite or vomiting, pain on the right side of your stomach (abdomen).

Common side effects of Enbrel include:

- Injection site reactions such as redness, swelling, itching or pain. These symptoms usually go away within 3 to 5 days. If you have pain, redness or swelling around the injection site that doesn't go away or gets worse, call your doctor.
- Upper respiratory infections (sinus infections).
- Headache.

These are not all the side effects with Enbrel. Tell your doctor about any side effect that bothers you or does not go away.

Call your doctor for medical advice about side effects. You may report side effects to FDA at 1-800-FDA-1088.

How should I store Enbrel?

- Store Enbrel in the refrigerator at 36° to 46°F (2° to 8°C).
- Do not freeze.
- Do not shake.
- Keep Enbrel in the original carton to protect from light.
- Keep Enbrel and all medicines out of the reach of children.

General Information about Enbrel

Medicines are sometimes prescribed for purposes not mentioned in a Medication Guide. Do not use Enbrel for a condition for which it was not prescribed. Do not give Enbrel to other people, even if they have the same condition. It may harm them.

This Medication Guide summarizes the most important information about Enbrel. If you would like more information, talk with your doctor. You can ask your doctor or pharmacist for information about Enbrel that was written for healthcare professionals. For more information, call 1-888-4ENBREL (1-888-436-2735).

What are the ingredients in Enbrel?

Single-use Prefilled Syringe and the Single-use Prefilled SureClick Autoinjector:

Active ingredient: etanercept

Inactive ingredients: sucrose, sodium chloride, L-arginine hydrochloride and sodium phosphate

Multiple-use Vial:

Active ingredient: etanercept

Inactive ingredients: mannitol, sucrose, tromethamine

v7

Issue Date: 12/2011

This Medication Guide has been approved by the U.S. Food and Drug Administration.

AMGEN

Manufactured by Immune Corporation
Thousand Oaks, CA 91320

Pfizer

Marketed by
Amgen Inc. and Pfizer Inc.

© 1998–2011 Immune Corporation. All rights reserved. Printed in the U.S.A.

9:41 AM

COMMEMORATIVE REISSUE

TIME

Star Wars Hits New Heights

To commemorate the 35th anniversary of *Star Wars*' release, TIME presents a digital version of the complete May 19, 1980, issue, featuring *The Empire Strikes Back* on the cover

PLUS: The original 1977 TIME feature story on *Star Wars*



©2012 Time Inc. TIME and the Red Border Design are registered trademarks of Time Inc. iPad is a registered trademark of Apple Inc., registered in the U.S. and other countries. Kindle Fire, Amazon, and the Amazon Kindle logo are trademarks of Amazon.com, Inc. or its affiliates. NOOK is a registered mark of Barnes & Noble Inc. NOOK Tablet and NOOK Color are trademarks of Barnes & Noble Inc.

Available within the TIME Magazine App on the iPad®, Kindle Fire™,
NOOK Tablet™ and select Android™ Tablets

FREE TO SUBSCRIBERS

THE CONVERSATION



TIME's May 21 cover image and the accompanying story on the parenting techniques of Dr. Bill Sears, "**The Man Who Remade Motherhood,**" sparked a national debate as talk-show hosts, parenting experts, moms, dads, doctors and comedians all weighed in, using words that ran the gamut from "obscene" and "desperate" to "overdue" and "compelling"

'The new TIME cover looks like Rockwell and Mapplethorpe decided to do a project together.'

@JIMNORTON, radio personality

'I can't wait for the Father's Day cover. Does it involve a penis?'

EDMUND ROCHE, on TIME.com

'I don't care how long a mother wants to breast-feed her child, but I don't want to pick up a magazine and have her mostly bare breast staring out at me.'

CAROL, on TIME.com

'THE TIME MAG COVER IS RIDICULOUS! WHAT IS WRONG WITH PEOPLE? MY SON SAW THAT IN A DOC OFFICE!'

@SARAEVANSMUSIC, country singer

'Congratulations, TIME. That was a brave cover. You have my vote.'

ADAIR GARIS, Wilton, Conn., by e-mail

'Debate the cover all you want, but READ Kate Pickert's story. Nuanced, thoroughly reported and fascinating.'

@LIZZIEO'REALLY, journalist

'No! You missed the mark! You're supposed to be making it easier for breast-feeding moms. Your cover is exploitative & extreme.'

@ALYSSA_MILANO, actress and UNICEF goodwill ambassador

'This is such a guilt trip on working women.'

BARBARA WALTERS, speaking to Dr. Bill Sears, on *The View*

'Hypersexualized hyperbole.'

GENEVIEVE COLVIN, on MomsRising.org

'IF YOU WANTED A GREAT COVER, YOU WOULD HAVE PHOTOSHOPPED OUT THE CHAIR.'

SETH MEYERS, on Saturday Night Live

Customer Service and Change of Address For 24/7 service, please use our website: www.time.com/customer-service. You can also call 1-800-843-8485 or write to TIME at P.O. Box 62120, Tampa, FL 33662-2120. **Back Issues** Contact us at help.single@customer-service.com or call 1-800-274-6800. **Reprints and Permissions** Information is available at the website www.time.com/time/reprints. To request custom reprints, e-mail TimeReprints@pearson.com or call 1-212-221-9595, ext. 437; for all other uses, contact us by e-mailing timereprints_usa@timeinc.com. **Advertising** For advertising rates and our editorial calendar, visit timemediakit.com. **Syndication** For international licensing and syndication requests, e-mail syndication@timeinc.com or call 1-212-522-5868.



Please recycle this magazine and remove inserts or samples before recycling.

On May 11, TIME took home 15 medals for photography and design (print and digital) at the annual gala held by the Society of Publication Designers



LIGHTBOX

The Backstory Our photo blog's gallery of Martin Schoeller's cover picture of Jamie Lynne Grumet of Los Angeles, along with outtakes of, from left, Jessica Cary of Brooklyn, Melinda Larson of Long Island and Dionna Ford of Kansas City, Mo., and their children, prompted more than 39,000 Likes on Facebook and thousands of online comments, for and against. "I am a mom, but this cover creeps me out," Arachne777 wrote in the most popular comment on lightbox.time.com. "This kind of parenting seems more about the mother's needs than the child's."

MAIL

Attachment Parenting

You claim that attachment parenting demands more from mothers than traditional parenting does, but that's not the case ["The Man Who Remade Motherhood," May 21]. Carrying a baby in a sling while going about one's daily business gives the baby a chance to experience the world from a secure base without the burden of constantly being the center of her mother's attention. Attachment parenting makes life with young children easier and more enjoyable.

Kirsten Caspers, ERKELENZ, GERMANY

As a longtime subscriber and a mother of two healthy, well-adjusted young adults (yes, they were breast-fed; no, they didn't sleep in our bed, nor did I lug them around in a sling all day long), I'm appalled by the cover image. While it stimulates controversy, fuels the never ending mommy wars and satisfies that one mother's need for attention, it is not in the best interest of her son.

Laurie Owyang, LOS ANGELES

I was less offended by your cover photo than by the cover line—"Are You Mom Enough?"—which insinuated I wasn't as good a mom because I chose to stop breast-feeding before my kids could independently unhook my bra.

Kim Asendorf, STROUDSBURG, PA.

Attachment parenting? African women have been practicing this for centuries, but unlike Dr. Sears, they don't sell their baby slings on a website.

Ann Coburn, COCOA, FLA.

As part of the tiny percentage of American mothers still breast-feeding their children at 18 months, I have to say that your cover is not going to be helpful in promoting our cause. Nonetheless, I hope the firestorm of controversy will give advocates many opportunities to point out how embarrassingly behind the rest of the world the U.S. is in supporting breast-feeding, despite mounds of research that demonstrates overwhelming health and bonding benefits.

Sara Ronnevik, FERGUS FALLS, MINN.

WRITE TO US

Send an e-mail: letters@time.com. Please do not send attachments

Send a letter: **TIME Magazine Letters, Time & Life Building, New York, NY 10020**. Letters should include the writer's full name, address and home telephone and may be edited for purposes of clarity and space

SETTING THE RECORD STRAIGHT

► We misidentified the baby in a caption in "The Man Who Remade Motherhood" [May 21]. The patient being examined by Dr. Sears is 1-year-old Truen Rodriguez.

TIME.COM

And in Other News ...

The second most discussed story on TIME.com was Touré's opinion piece on whether black voters will punish Obama for his support of gay rights:

'Blacks will stick with Obama. No matter what he does. That isn't courage.'

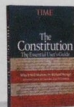
CARMEN SBORDONE

"The strongest support for Prop 8 in California came from African-American voters, as has been the case in a number of similar initiatives over gay-union rights. So facts suggest that black people are homophobic. I happen to be one who doesn't understand why we even have to have the discussion in our country. Keep your religion out of gays' lives."

HOGSHOOTER

This issue is not about civil rights or race. It is about political gain.'

JESUS M. RAMOS



Book Club

The editors of TIME have just completed the essential user's guide to the Constitution, a document that inspires awe—and argument. The book contains a fully annotated text of the Constitution plus essays by former Supreme Court Justice Sandra Day O'Connor, TIME managing editor Richard Stengel and Stanford Law School professor Michael W. McConnell. It's available wherever books are sold, or you can order a copy at time.com/constitutionbook



It gets there before you do.

Some see a corner and nothing more. At Volkswagen, we spotted an opportunity to get around that corner before you do. With the redesigned CC and its low-speed corner-illuminating headlights, you turn the wheel and an ingeniously designed light guides the way. It's a simple solution that may lead to some complicated conversations. And it's just one of the many features that go into the 2013 Volkswagen CC, redefining quality, inside and out. **That's the Power of German Engineering.**



Das Auto.



Volkswagen
Carefree Maintenance*

3 Years or 36,000 Miles of No-Charge Scheduled Maintenance.
*Whichever occurs first. Some restrictions. See dealer or program for details.

vw.com

©2012 Volkswagen of America, Inc.

Briefing

'We know we were sloppy.
We know we were stupid. We know
there was bad judgment.'

1. **JAMIE DIMON**, CEO of JPMorgan Chase,
after the firm revealed that it lost \$2 billion on bad trades

**'It's no different than discriminating against blacks.
It's discrimination, plain and simple.'**

2. **JAY-Z**, rapper, voicing support for same-sex marriage—a rare occurrence in the hip-hop community—following President Obama's historic statement

'I'm for Mitt Romney.'

3. **GEORGE W. BUSH**, officially endorsing the Republican presidential front runner to a news crew as he entered an elevator at the Council on Foreign Relations in Washington, D.C.; the doors closed midsentence

**'I cannot express my anger enough that those
close to me have unfairly been dragged into this.'**

4. **REBEKAH BROOKS**, former *News of the World* editor, after being charged, along with her husband, with conspiracy to pervert the course of justice during the phone-hacking investigation

'I got my jobs because I do my work ...
I've been a good teacher.'

5. **ELIZABETH WARREN**, Democratic Senate candidate in Massachusetts, responding to critics who charged that she got ahead by claiming to be 1/32 Cherokee Indian



1 in 3

Ratio of people in the U.S. who have sleepwalked at least once in their lives

25,000

Global orphans adopted by foreign parents in 2011, down from a 2004 high of 45,000 and the lowest total in 15 years



18

Weight, in tons, of Greek yogurt that spilled on a highway in upstate New York after the truck carrying it crashed

51

Percentage of young adults who think Facebook is a fad—although they didn't reveal any plans to stop using it



Briefing

LightBox

Still standing

A lone tree grows by the site of St. Mary's Catholic Church in Joplin, Mo. On May 22 last year, a devastating tornado virtually wiped out the sleepy Midwestern town

Photograph by Greg Miller
lightbox.time.com





World



Supporters of the Greek Communist Party at a rally in Athens

More Money Trouble for Greece

1 | GREECE The euro zone faced fresh turmoil when Greek political leaders failed to form a government after nine days of tortured power-sharing talks. Parliamentary elections this month saw a big swing toward parties opposed to a deeply unpopular austerity program agreed to as part of a massive E.U.-IMF bailout. As coalition talks between the leftist, antiausterity Syriza bloc and the country's two mainstream parties collapsed May 15, world markets plunged amid heightened fears of an imminent Greek exit from the 17-member single currency. Across Europe, leaders repeatedly warned Greece it could not renege on commitments to cut the public debt. In a matter of days, Greeks withdrew some 700 million euros (nearly \$900 million) from banks, fearful that a return to their old currency, the drachma, would wipe out their savings. The debt-ridden country is headed for a month of uncertainty under a toothless caretaker government before another round of voting in mid-June. That contest should yield highly fragmented results once again, with Syriza expected to be the biggest winner.

Drug War Rages On

2 | MEXICO Narcothugs dumped 49 mutilated and decapitated bodies in the middle of a highway 75 miles (120 km) south of the U.S. border. Officials suspect that the powerful and bloodthirsty Zetas cartel committed the crime; it's likely that some victims were not rival narcos but migrant workers who couldn't pay off Zetas extortionists. Drug-related violence in Mexico has claimed more than 50,000 lives since President Felipe Calderón launched his war on traffickers six years ago. Many pin the crisis on police corruption and the U.S.'s failed antidrug policies.

INDONESIA

'She had better not dare spread her satanic faith in this country.'

SALIM ALATAS, leader of a hard-line Islamist group, protesting Lady Gaga's upcoming concert in Jakarta; police denied the pop star a crucial permit, which may force organizers to cancel the show



E-Music Moguls

3 | CHINA Even though most of its people don't use the Web—let alone access iTunes—roughly 74% of China's music sales are digital. Why? "There's no major physical competition," says Robert Andrews of PaidContent.org, which released the report. Here's how China and other top sellers fare.





Grief of a Nation

4 | SYRIA Relatives and friends gather around the body of a Syrian man allegedly slain by a government sniper in the village of al-Qusayr. Despite the presence of U.N. monitors, clashes between rebels and the forces of President Bashar Assad have intensified in recent weeks. Suspected jihadists detonated bombs in Damascus, injuring dozens, and Assad loyalists reportedly gunned down 20 mourners at a funeral in the north.

Trial and Trauma

5 | BOSNIA The trial of notorious Bosnian-Serb warlord Ratko Mladic began at the International Criminal Court in the Hague. Mladic, captured last May while living in obscurity in a small Serbian village, faces charges including genocide and ethnic cleansing during the brutal 1990s Balkan wars. His most infamous deed: spearheading the 1995 Srebrenica massacre, in which his fighters killed some 8,000 Muslim men and boys—the biggest such atrocity in Europe since World War II. The legacy of that slaughter, as well as Mladic's devastating 43-month-long siege of Sarajevo, remains an open wound in the fledgling, ethnically fractious Bosnian state.



U.K.
\$9.7 MILLION

Price of the Beau Sancy, one of the world's oldest and most famous diamonds, which was recently sold at auction. The 35-carat gem was once pawned to finance Charles II's fight for the English throne; later it crowned the first King of Prussia

Merkel's Future Looks Murky

6 | GERMANY The center-right Christian Democrats—the party of Chancellor Angela Merkel—lost considerable ground during recent elections in North Rhine-Westphalia, Germany's most populous state. In keeping with European political trends, voters chose the populist promises of the left-wing parties over appeals to fiscal discipline and a broader commitment to the European Union. Also troubling for Merkel: the new, renegade Pirate Party, which advocates transparency and Internet freedom, captured seats in a fourth successive German state assembly—a sure sign the political tides are changing.

A Pirate Party supporter and his campaign ship



Nation

Between the Lines

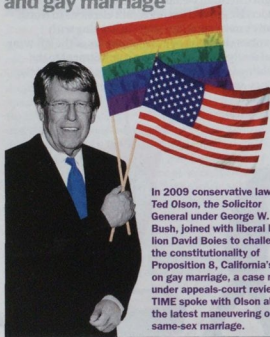
By Mark Halperin

► Both risk and opportunity accompany President Barack Obama's same-sex marriage endorsement, but neither will come close to trumping the economy as the decisive issue in November... ► Obama was on track to make his declaration at some point before Election Day, but there's no doubt his hand was forced by Vice President Joe Biden's premature pronouncement of his own support... ► Now the VP is in the doghouse for breaking one of Team Obama's cardinal rules: no one puts POTUS in a corner... ► Although Biden has incurred the wrath of the President's staff and has been mocked on late-night TV, his gaffe has made him a history-making hero on the left and solidified his chances for a 2016 presidential bid... ► The announcement helps Obama with young, gay, lesbian and urban voters, gay-friendly media and some wealthy liberals who, disappointed with a range of Obama

Administration policies, were sitting on their wallets... ► But it hurts the President with broad pockets of rural and exurban voters in swing states like Ohio, Iowa, Virginia and Florida, conservatives who are energized by a controversial issue and a number of religious leaders, including some who are African American... ► The greatest indication that public opinion on same-sex marriage has shifted over the past few years: almost no prominent GOP elected officials raised the issue after the day of the endorsement; party leaders, almost to a person, changed the topic to the economy when asked about Obama's now evolved stance... ► Besides, at a time when Republicans are trying to minimize the impression that their party is intolerant, the last thing they want is to pick a big fight over personal liberty and morality... ► Rest assured, they will quietly communicate Obama's position to targeted voters via religious organizations and mail as the election nears... ► And if Obama loses narrowly, some of his supporters are sure to look back and wonder if publicly backing gay marriage cost him his job.

Q+A

Ted Olson. On Obama and gay marriage



In 2009 conservative lawyer Ted Olson, the Solicitor General under George W. Bush, joined with liberal legal lion David Boies to challenge the constitutionality of Proposition 8, California's ban on gay marriage, a case now under appeals-court review. TIME spoke with Olson about the latest maneuvering on same-sex marriage.

What does President Obama's backing mean for the gay-marriage movement?

It's a very significant step in the right direction. Now, he still takes the position that this is up to the states. That's a very significant holdback, and I wish he would go the full distance. If you leave it up to the states, there are going to be people living in some states that might have to wait for another 40 or 50 years.

What's the next step his Administration could take?

I look forward to the time when the Administration might file a friend-of-the-court brief to support our challenge to Proposition 8. That would be exceedingly important and a very welcome next step. It's just aspirational on my part. I have no idea whether it would happen.



WORD OF THE WEEK

su·per·com·mut·er
n. one who travels long distances to and from work by car, rail, bus, plane, bicycle, foot or any combination of such means.

See: the 52,000 workers who commute 228 miles from Dallas to Houston, according to a study from New York University's Wagner School of Public Service. The report showed that supercommuters tend to be middle class and under the age of 30. Many have jobs that require making the trip only once or twice per week

COST OF WAR

\$642 billion

Estimated total direct cost to the U.S. of the war in Afghanistan from 2001 through the end of next year

SOURCE: ANTHONY CORDEMAN, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES

IS NATURE CALLING DAY AND NIGHT?



Jalyn®

(dutasteride and tamsulosin HCl)
Capsules
0.5 mg/0.4 mg

Going Frequently • Incomplete Emptying • Waking Up to Go • Flow Starts and Stops • Trouble Going


For guys with symptomatic benign prostatic hyperplasia (BPH), nature calls a little too often. JALYN can help reduce urinary symptoms of BPH in men with an enlarged prostate. JALYN is not approved for the prevention of prostate cancer. It's time to ask your doctor if JALYN is right for you.

www.JALYN.com


Important Safety Information About JALYN

- JALYN is for adult men only. Women should not take or touch JALYN due to risk of a specific birth defect. If a woman comes in contact with leaking JALYN Capsules, she should wash the contact area immediately with soap and water.
- Do not take JALYN if you are allergic to dutasteride, finasteride, tamsulosin, or any of the ingredients in JALYN.
- JALYN may cause rare and serious allergic reactions, including: swelling of your face, tongue, or throat, and serious skin reactions, such as skin peeling. Get medical help right away if you have these serious allergic reactions.
- JALYN may cause a sudden drop in blood pressure upon standing, especially when starting treatment, which may cause you to faint, or feel dizzy or lightheaded. Avoid driving or operating hazardous equipment when starting or restarting JALYN.
- Tell your doctor about all the medicines you take, including prescription and non-prescription medicines, vitamins, and herbal supplements. JALYN and other medicines may affect each other, causing side effects.
- Some types of medicines should not be taken with JALYN, including: ketoconazole, an antifungal medication, which if taken with JALYN can increase levels of tamsulosin, a component of JALYN; and alpha-blockers, like tamsulosin, which if taken with JALYN may cause fainting, dizziness, or feeling lightheaded.
- Some types of medicines should be used with caution when taken with JALYN, including: erythromycin, paroxetine, or terbinafine, which when taken with JALYN can increase levels of tamsulosin, a component of JALYN; cimetidine; certain types of medicines that are commonly used to treat erectile dysfunction, which when taken with JALYN may cause fainting, dizziness, or feeling lightheaded; and warfarin.
- Only your healthcare provider can tell if your symptoms are due to BPH or a more serious condition like prostate cancer. See your doctor for regular exams.
- JALYN may cause serious side effects including a higher chance of a more serious form of prostate cancer.
- Your healthcare provider may check you for other prostate problems, including prostate cancer, before you start and while you take JALYN. A blood test called PSA (prostate-specific antigen) is sometimes used to see if you might have prostate cancer. JALYN will reduce the amount of PSA measured in your blood. Your healthcare provider is aware of this effect and can still use PSA to see if you might have prostate cancer. Increases in your PSA levels while on treatment with JALYN (even if the PSA levels are in the normal range) should be evaluated by your healthcare provider.
- Rarely, JALYN can cause a painful erection. If this happens get medical help right away.
- Do not donate blood until 6 months after stopping JALYN.
- Before you take JALYN, tell your doctor if you: have a history of low blood pressure, plan to have cataract surgery, are allergic to sulfa medications, take medicines to treat high blood pressure, have liver problems, or have any other medical conditions.
- The most common side effects include: ejaculation problems, trouble getting or keeping an erection (impotence), a decrease in sex drive (libido), decreased amount of semen released during sex, dizziness, enlarged or painful breasts (if you notice breast lumps or nipple discharge, you should talk to your healthcare provider), and runny nose.

Please see the next page for Patient Information about JALYN.

 GlaxoSmithKline

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

 If you don't have your own physician, visit www.gsk.com/for-you or call 1-866-GSK-FOUR (1-866-475-3676).

PATIENT INFORMATION

JALYN™ [JAY-LIN] (dutasteride and tamsulosin hydrochloride) Capsules

JALYN is for use by men only.

Read this patient information before you start taking JALYN and each time you get a refill. There may be new information. This information does not take the place of talking with your healthcare provider about your medical condition or your treatment.

What is JALYN?

JALYN is a prescription medicine that contains 2 medicines: dutasteride and tamsulosin. JALYN is used to treat the symptoms of benign prostatic hyperplasia (BPH) in men with an enlarged prostate.

Who should not take JALYN?

Do Not Take JALYN if you are:

- pregnant or could become pregnant. JALYN may harm your unborn baby. Pregnant women should not touch JALYN Capsules. If a woman who is pregnant with a male baby gets enough JALYN in her body by swallowing or touching JALYN, the male baby may be born with sex organs that are not normal. If a pregnant woman or woman of childbearing potential comes in contact with leaking JALYN Capsules, the contact area should be washed immediately with soap and water.
- a child or teenager.
- allergic to dutasteride, tamsulosin, or any of the ingredients in JALYN. See the end of this page for a complete list of ingredients in JALYN.
- taking another medicine that contains an alpha-blocker.
- allergic to other 5 alpha-reductase inhibitors, for example, PROSCAR® (finasteride) Tablets.

What should I tell my healthcare provider before taking JALYN?

Before you take JALYN, tell your healthcare provider if you:

- have a history of low blood pressure
- take medicines to treat high blood pressure
- plan to have cataract surgery
- have liver problems
- are allergic to sulfa medications
- have any other medical conditions

Tell your healthcare provider about all the medicines you take, including prescription and non-prescription medicines, vitamins, and herbal supplements. JALYN and other medicines may affect each other, causing side effects. JALYN may affect the way other medicines work, and other medicines may affect how JALYN works.

Know the medicines you take. Keep a list of them to show your healthcare provider and pharmacist when you get a new medicine.

How should I take JALYN?

- Take JALYN exactly as your healthcare provider tells you to take it.
- Swallow JALYN Capsules whole. Do not crush, chew, or open JALYN Capsules because the contents of the capsule may irritate your lips, mouth, or throat.
- Take your JALYN 1 time each day, about 30 minutes after the same meal every day. For example, you may take JALYN 30 minutes after dinner every day.
- If you miss a dose, you can take it later that same day, 30 minutes after a meal. Do not take 2 JALYN Capsules in the same day. If you stop or forget to take JALYN for several days, talk with your healthcare provider before starting again.
- If you take too much JALYN, call your healthcare provider or go to the nearest hospital emergency room right away.

What should I avoid while taking JALYN?

- Avoid driving, operating machinery, or other dangerous activities when starting treatment with JALYN until you know how JALYN affects you. JALYN can cause a sudden drop in your blood pressure, especially at the start of treatment. A sudden drop in blood pressure may cause you to faint, feel dizzy or lightheaded.
- You should not donate blood while taking JALYN or for 6 months after you have stopped JALYN. This is important to prevent pregnant women from receiving JALYN through blood transfusions.

What are the possible side effects of JALYN?

JALYN may cause serious side effects, including:

- **Decreased blood pressure.** JALYN may cause a sudden drop in your blood pressure upon standing from a sitting or lying position, especially at the start of treatment. Symptoms of low blood pressure may include:
 - fainting
 - dizziness
 - feeling lightheaded
- **Rare and serious allergic reactions, including:**
 - swelling of your face, tongue, or throat
 - serious skin reactions, such as skin peelingGet medical help right away if you have these serious allergic reactions.
- **Higher chance of a more serious form of prostate cancer.**
- **Eye problems during cataract surgery.** During cataract surgery, a condition called intraoperative floppy iris syndrome (IFIS) can happen if you take or have taken JALYN in the past. If you need to have cataract surgery, tell your surgeon if you take or have taken JALYN.
- **A painful erection that will not go away.** Rarely, JALYN can cause a painful erection (priapism), which cannot be relieved by having sex. If this happens,

get medical help right away. If priapism is not treated, there could be lasting damage to your penis, including not being able to have an erection.

The most common side effects of JALYN include:

- ejaculation problems
- trouble getting or keeping an erection (impotence)
- a decrease in sex drive (libido)
- dizziness
- enlarged or painful breasts. If you notice breast lumps or nipple discharge, you should talk to your healthcare provider.
- runny nose

Dutasteride, an ingredient of JALYN, has been shown to reduce sperm count, semen volume, and sperm movement. However, the effect of JALYN on male fertility is not known.

Prostate-Specific Antigen (PSA) Test: Your healthcare provider may check you for other prostate problems, including prostate cancer, before you start and while you take JALYN. A blood test called PSA (prostate-specific antigen) is sometimes used to see if you might have prostate cancer. JALYN will reduce the amount of PSA measured in your blood. Your healthcare provider is aware of this effect and can still use PSA to see if you might have prostate cancer. Increases in your PSA levels while on treatment with JALYN (even if the PSA levels are in the normal range) should be evaluated by your healthcare provider.

Tell your healthcare provider if you have any side effect that bothers you or that does not go away.

These are not all the possible side effects with JALYN. For more information, ask your healthcare provider or pharmacist.

Call your doctor for medical advice about side effects. You may report side effects to the FDA at 1-800-FDA-1088.

How should I store JALYN?

- Store JALYN Capsules at room temperature (59° to 86°F or 15° to 30°C).
- JALYN Capsules may become deformed and/or discolored if kept at high temperatures.
- Do not use or touch JALYN if your capsules are deformed, discolored, or leaking.
- Safely throw away medicine that is no longer needed.

Keep JALYN and all medicines out of the reach of children.

Medicines are sometimes prescribed for purposes other than those listed in a patient page. Do not use JALYN for a condition for which it was not prescribed. Do not give JALYN to other people, even if they have the same symptoms that you have. It may harm them.

This patient information page summarizes the most important information about JALYN. If you would like more information, talk with your healthcare provider. You can ask your pharmacist or healthcare provider for information about JALYN that is written for health professionals.

For more information, go to www.JALYN.com or call 1-888-825-5249.


What are the ingredients in JALYN?

Active ingredients: dutasteride and tamsulosin hydrochloride
Inactive ingredients: black ink, butylated hydroxytoluene, carrageenan, FD&C yellow 6, ferric oxide (yellow), gelatin (from certified BSE-free bovine sources), glycerin, hypromellose, iron oxide red, methacrylic acid copolymer dispersion, microcrystalline cellulose, mono-di-glycerides of caprylic/capric acid, potassium chloride, talc, titanium dioxide, and triethyl citrate.

How does JALYN work?

JALYN contains 2 medications, dutasteride and tamsulosin. These 2 medications work in different ways to improve symptoms of BPH. Dutasteride shrinks the enlarged prostate and tamsulosin relaxes muscles in the prostate and neck of the bladder. These 2 medications, when used together, can improve symptoms of BPH better than either medication when used alone.

Jointly Manufactured by
Catalent Pharma Solutions
F-67930 Beinheim, France
D-73614 Schorndorf, Germany
and
Rottendorf Pharma GmbH
D-59320 Ennigerloh, Germany
Distributed by

 GlaxoSmithKline

GlaxoSmithKline
Research Triangle Park, NC 27709

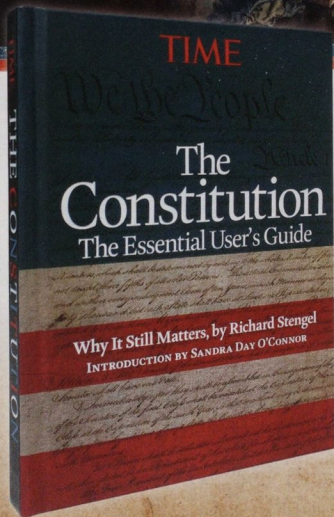
©2011, GlaxoSmithKline. All rights reserved.

June 2011

JLN:2PIL

PROSCAR is a registered trademark of Merck and Co., Inc.
JALYN is a registered trademark of GlaxoSmithKline.

©2011 The GlaxoSmithKline Group of Companies All rights reserved. Printed in USA. JAL156R0 August 2011



The document that inspires awe... and argument. This probing and insightful book brings the U.S. founding document to life.

- Contains the full text of the Constitution and its amendments in an annotated format
- With essays by TIME magazine's managing editor Richard Stengel and Stanford University's Constitutional Law Center director Michael W. McConnell
- Introduction written by former Supreme Court justice Sandra Day O'Connor

Available in bookstores everywhere
or at www.time.com/constitutionbook

TIME

TIME is a registered trademark of Time Inc. © 2012 Time Home Entertainment Inc.

GET HOOKED ON SOMETHING GOOD

100% Natural
Spring Water

+

Natural Fruit Essence

+

Bubbles

Sparkling
NATURAL SPRING WATER
EST. 1873
100% NATURAL
DEER PARK
LEMON
ESSENCE
0 CALORIES
PER BOTTLE

*100% Natural Ingredients
5 ways to satisfy your urge:

Original • Lemon • Lime
Orange • Berry Lime

NATURE'S FIX™



Briefing

Business



Scott
Thompson

Liar, Liar. How faux credentials felled Yahoo!'s CEO, among others

By **Andréa Ford**

In the digital age, it's hard to imagine anyone—let alone a *FORTUNE* 500 chief executive—climbing to the top with a fictitious record. But on May 13, Yahoo! CEO Scott Thompson was abruptly ousted after a false college degree appeared in his official bio. (His popularity was already dwindling, though, thanks to a recent decision to sue Facebook over patents, which put Yahoo! in a precarious spot.) The 54-year-old ex-exec embroiled in what pundits are calling *Résumégate* joins a sad tradition of high-profile fibbers.

THE CASE



Robert Irvine *Food Network host*
The *Dinner: Impossible* chef claimed he had served U.S. Presidents and the British royal family. In 2008, however, the *St. Petersburg Times* exposed his exaggerations



Tom Williams *Yale football coach*
After Williams, citing personal experience, advised a player to choose playing in a game over a Rhodes scholarship interview in 2011, the school learned he had never been a candidate for the honor



Marilee Jones *Dean of admissions at MIT*
After she'd worked at the university for 28 years, MIT officials learned that the woman holding the keys to the prestigious school had padded her résumé with fictitious degrees



David Edmondson *RadioShack CEO*
He joined the company in 1994, claiming degrees in theology and psychology. He climbed to the top job in 2005, but reports surfaced months later that he never earned them



Jayson Blair *New York Times reporter*
First, higher-ups learned Blair—an eager intern turned prolific young journalist—had fabricated or plagiarized parts of many stories. Then they realized he hadn't graduated from college



Michael Brown *FEMA director*
The bio of the man who led the flawed Hurricane Katrina response in 2005 said he oversaw emergency services in Edmond, Okla. *TIME* reporters learned he was "more like an intern"

LESS
SEVERE

THE CONSEQUENCES

Irvine apologized, and the network replaced him. But not long after, he returned as host of the show—with a corrected bio

Amid a university review of the case, Williams resigned and admitted he hadn't even applied for the award

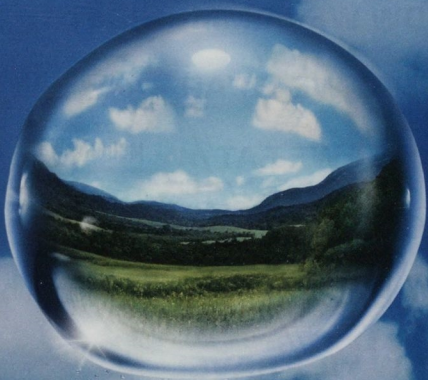
Jones resigned and apologized for the misrepresentation. She now works as an admissions consultant

Although the board of directors initially supported the company chief, he eventually resigned

Blair resigned, and the *Times* printed a 7,000-word front-page story detailing his wrongdoings. He later wrote a book

Mired in criticism, Brown resigned mere weeks after the devastating storm. He now hosts a radio talk show

MORE
SEVERE



Born Better.®

Every drop of Deer Park® 100% Natural Spring Water comes from carefully selected natural springs. When you start with something better, you get something better.

DeerParkBornBetter.com



IT IS HOW WE COMMUNICATE

12 AT&T

IT IS WHAT WE WEAR

451 POLO RALPH LAUREN

IT IS WHAT WE EAT

111 MCDONALD'S

IT IS HOW WE PLAY

262 GAMESTOP

IT IS WHERE WE SHOP

273 WHOLE FOODS MARKET

IT IS HOW WE TRAVEL

88 DELTA AIR LINES

It is where we work, employing more than 16 million people in America.
It is the backbone of the economy and the gold standard of business.

IT IS THE FORTUNE 500®



It arrives on newsstands, tablets
and the web on FORTUNE 500 Day —
May 7, 2012.



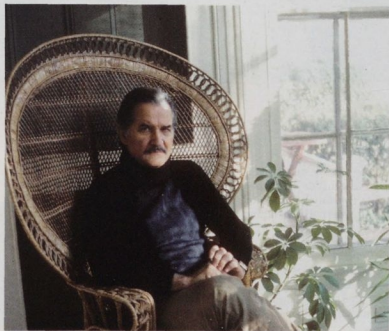
facebook.com/FortuneMagazine • @FortuneMagazine • foursquare.com/FortuneMagazine

FORTUNE

Our Insight.
YOUR SUCCESS.

©2012 Time Inc. FORTUNE and FORTUNE 500 are trademarks of Time Inc., registered in the U.S. and other countries.

Milestones



DIED Carlos Fuentes

Carlos Fuentes' best-known novel may be *The Old Gringo*, set during the Mexican Revolution. But his finest fiction dwelled in the aftermath of that upheaval, wryly but passionately decrying modern Mexico's betrayals of the revolution's egalitarian values. Few characters embody that venality more than Artemio Cruz, the soldier-politico-tycoon who haunts *The Death of Artemio Cruz*, perhaps the finest of Fuentes' 24 novels and a masterly portrait of the one-party dictatorship that ruled Mexico for most of the 20th century.

Fuentes, who died May 15 at 83, co-founded Latin America's literary boom, a movement that included his Nobel-laureate buddies Gabriel García Márquez and Mario Vargas Llosa, who summoned modernist, magical-realist styles to tell their region's epic. "In the 1960s, why not?" Fuentes once told me. "We were young, bold, infinitely ambitious." And leftist, fired in those days by a Castroesque zeal that made getting U.S. visas a pain. As the Cold War gave way to NAFTA, Fuentes soured on "yesterday's communism without freedom" while keeping a keen eye on "today's capitalism without justice." He should have gotten his own Nobel, but he died knowing that Mexico had finally democratized and reached out to the world. Thanks to Fuentes, the world had already been introduced to the rich if enigmatic soul of Mexico. —TIM PADGETT

DIED Evelyn Johnson

Not that long ago, female pilots were scarce and woman flight instructors virtually nonexistent. But if you learned to fly in Morristown, Tenn., chances are Evelyn Johnson was your teacher. Johnson, who died May 10 at 102, set the world record for training the most pilots (more than 5,000) and at 92 became the world's oldest flight instructor. Along the way, she racked up 57,635.4 flight hours—the most ever by a woman and the second most in history—while covering 5.5 million miles. The woman known as Mama Bird flew even after she developed glaucoma and quit only when a 2006 car accident led doctors to amputate her leg. But even after being grounded, she managed the local airport. "I don't know if anybody loves it more than I do," she said at 101 about flying. "I've flown that long because God has been so kind as to let me." —NATE RAWLINGS



DIED Mike McGrady

He wanted to prove a point about bad taste, and he did it very well. Though *Newsday* columnist Mike McGrady, who died May 13 at 78, won an Overseas Press Club award for his dispatches from Vietnam, he will always be remembered too as the orchestrator of the 1969 literary hoax *Naked Came the Stranger*. A cringe-inducing naughty-housewife novel "by Penelope Ashe," it was actually the work of McGrady and his newsroom buddies. Meant as a parody of trashy best sellers, it quickly became one. "Some of the chapters were much too good," a bemused McGrady told *TIME* after the truth came out. "I had to work like hell to make them bad enough to use." —LILY ROTHMAN



DIED
Horst Faas, 79, Pulitzer Prize-winning war photographer, who as an editor for AP published two of the most brutal yet iconic photos of the Vietnam War.

AWARDED
The Medal of Honor, posthumously, to Leslie Sabo Jr., who saved his platoon and was killed blowing up an enemy bunker during a May 1970 battle in Cambodia.

DIED
Carroll Shelby, 89, famed race driver and famed muscle-car designer, who put

a high-power V-8 engine in a sporty British roadster to make the Shelby Cobra; he also created the Mustang Shelby GT.



AWARDED
The Mark Twain Prize for Humor, to Ellen DeGeneres, who accepted the high honor—past recipients include Bill Cosby and Tina Fey—at the Kennedy Center.

APPROVED
In-flight calls on personal cell phones on Virgin Atlantic's new Airbus A330, which flies from London to NYC; the service should expand to 20 planes this year.

DIED
Harold Posing, 86, former chairman and CEO of Ford Motor Co., who allotted \$3 billion to engineer the Taurus; it became the top-selling U.S. car.

Rana Foroohar



The \$2 Billion Boo-Boo

JPMorgan's derivatives debacle is reason enough to toughen the Volcker rule

AT THE END OF EVERY E-MAIL YOU get from Wall Street investment advisers and brokers is the phrase "Past performance is not necessarily indicative of future results." Would that anyone read the small print. JPMorgan Chase came through the financial crisis relatively unscathed only to stomp on a land mine in the form of a bungled series of risky derivatives trades. The derivatives positions were designed to hedge the firm's portfolio against slower economic growth, but they proved too complex to manage, resulting in a \$2 billion—and growing—loss for the bank. According to a number of reports, the U.S. Department of Justice has opened an inquiry into the trades. (DOJ won't officially confirm or deny, as per usual, until there's a public filing.) The FBI has begun a preliminary investigation into the deals, which are financially just a bruise for the bank. JP is still expected to post a \$4 billion profit in the next quarter alone.

But the write-down represents a major loss of face for CEO Jamie Dimon, the Teflon banker who has lobbied hard against re-regulation in the post-meltdown era. Justly famous for his command of banking detail, Dimon was forced to eat a huge helping of humble pie, admitting that the offending trade had been "flawed, complex, poorly reviewed, poorly executed and poorly monitored."

A few weeks back, Dimon told investors that concerns over the London trading group in charge of the deals were "a complete tempest in a teapot." DOJ will be interested to find out if he knew the losses were coming and lied about it on the call, or if those around him knowingly misinformed him before he spoke to investors. Either would be a criminal offense. And both are unlikely, given the public scrutiny of the industry lately and Dimon's reputa-

tion, but it might be possible that traders in London were trying to hide the initial losses, hoping they could make their money back before the bosses noticed. Making a stupid trade is legal. Lying about it isn't, but as one former prosecutor told me, it happens all the time.

Let's assume the risky trades, which involved complicated derivatives that Warren Buffett once called "financial weapons of mass destruction," are legit. The problem



is that the resulting losses have totally undermined Dimon's arguments for watering down or eliminating the Volcker rule, which would prohibit banks from proprietary trading—that is, risking their own capital. Thanks in large part to Dimon's personal lobbying, the proposed rule currently allows for "portfolio hedging." That means banks could set up synthetic derivatives like the ones that backfired in JPMorgan's effort to try to hedge its loan portfolio, as long as they don't actively try to make a profit from them. (Historically, the problem for banks is that they borrow short and lend long, so they are exposed to interest-rate risk.)

It's hard to believe that JP's chief investment office, which made the trades, wasn't designed to be a profit center when the head of it, now set to leave the bank, earned \$15 million last year. But even if you buy that, the case underscores that any portfolio hedging carries what's known as basis risk. In the case of a huge bank like JPMorgan, which is several times as big as the world's largest hedge funds, its very size is bound to create a market-moving event when it takes a position large enough to protect itself. "If you are the market," one risk expert told me, "you can't hedge it."

The other issue is that no one—not even smart guys like Dimon—fully under-

stands the complexities of synthetic derivatives. Aside from underscoring the fact that the "too big to fail" problem is still very much with us, the JPMorgan losses show that risk management is far from an exact science. Indeed, I've never understood why financial-risk modeling has ever been considered much more than rune reading. After all, it involves throwing thousands of variables about all the bad things that could happen into a black box, shaking them up with the millions of positions taken daily by banks and extrapolating it all into a simple, easy-to-understand number about how much is likely to be lost if

things go belly up. What could possibly go wrong, especially when you're relying on past assumptions (the sovereign debt of the U.S. and Europe will never be downgraded) and don't account for the fact that market-moving events often create their own momentum? Who knew trouble in Greece would make it tough to get a loan in Italy?

Ultimately, the only way for banks to manage risk is to take on less of it. We're headed into a world where banks will soon be doing just that, either by choice or by regulation. You don't have to read the fine print to know that this will likely result in fewer unexpected \$2 billion losses—and fewer \$23 million pay packages. ■



☐ **VOTE FOR
EMPOWERMENT**



☐ **VOTE FOR
COMPANIONSHIP**



☐ **VOTE FOR
CREATIVITY**

VOTE FOR GOOD.

Vote to help Toyota give 100 cars over 100 days to nonprofit organizations. Each click is a good deed that can make a big difference.

100carsforgood.com



Voting begins 5/14/12 and runs for 100 days until 8/21/12. Voters must be legal residents of the 50 United States or D.C. in compliance with eligibility requirements and voting rules located at 100carsforgood.com. Limit one (1) vote per person, per voting day. ©2012 Toyota Motor Sales, U.S.A., Inc.

Fareed Zakaria



TO READ MORE BY
FAREED ZAKARIA, GO TO
time.com/zakaria

Time to Say Danke

Thrifty Germans have been more benevolent to Greece than you think

EVERYONE IS WORRIED THAT GREECE will default on its national debt. That's really not news. By one estimate, since it gained its independence from the Ottomans in 1832, Greece has been in default or restructuring for half this period. The news is that this time, Germany is willing to bail it out.

Throughout the euro-zone crisis, it has become conventional wisdom to regard the Germans as narrow-minded, ungenerous and dogmatically wedded to prescriptions of austerity to treat Europe's problems. Those criticisms are vastly overstated. Consider that Germany is being asked to take its taxpayers' money—in a democracy—and use it to bail out a country like Greece, which is guilty of mismanagement, poor competitiveness and financial fraud. And it has said yes! In return for this, Germans are being called Nazis in Greek newspapers.

Germany was an organizer of and is by far the largest contributor to the European Financial Stability Facility, which totals a staggering 726 billion euros (\$924 billion). That number will rise and, when combined with earlier funds and loans, Germany's share will easily exceed the country's total annual federal tax revenues. Imagine the U.S. being willing to guarantee more than \$2 trillion to bail out Mexico.

We hear a lot about the German public's opposition to helping the Southern European countries. What's remarkable, given the scale of German aid, is how little opposition there is. This month, Parliament will easily ratify a number of these funding mechanisms as well as a new financial-transaction tax to pay for part of this. (The Germans have the old-fashioned, conservative view that if you spend money, you should pay your bills.)

In late February, one of the bailout packages cleared the German Parliament in a 496-to-90 vote. The German government has also relaxed its once rigid opposition to a more aggressive monetary policy. Mario Draghi, head of the European Central Bank, would not have been able to provide cheap loans to Europe's banks—thus staving off a Lehman Brothers-like crisis—without German approval.



There is a lively political debate to be had about whether the U.S. needs austerity measures right now. (I would say no.) But Greece and the other weak euro-zone countries had few options. Markets had become unwilling to lend them money because of their ever rising debt loads. It was as a response to genuine market pressures that these governments began to get their budgets in order. The austerity programs place too little emphasis on growth, but had these nations wantonly spent money, their interest payments would have skyrocketed. Most important, the Germans have not emphasized austerity so much as structural reform—

opening up labor markets, liberalizing sectors and dismantling protections. What economies like Greece really need is less austerity and more reform. The lesson of most debt crises is that countries that make these changes ultimately make themselves more competitive.

Southern Europe has a long way to go on that score. In terms of the ease of doing business, the World Bank ranks Italy and Greece last (30th and 31st) among high-income countries. The World Economic Forum ranks Greece and Italy 125th and 126th in flexibility of hiring and firing and 133rd and 140th (out of 142!) in the burden of government regulation. Tax collection is almost nonexistent

in both countries, and corruption is rampant.

Largely thanks to European

Union (read: German) subsidies, over the past 10 years, wages have risen dramatically in Southern Europe. Unit labor costs in Greece went up by 35% from 2000 to 2010. They went up 2% in Germany.

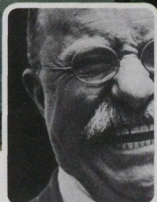
German leaders have said again and again that they are willing to bail out weak euro-zone countries. But they have asked for reform as a condition of that aid. German Chancellor Angela Merkel is opposed to a sweeping solution like eurobonds not because of their cost—Germany will end up paying more—but because they would take off pressure to reform. The only leverage Germany has with countries like Greece is that the money gets to them incrementally as they enact reforms.

Greece might yet have to default and quit the euro zone. Its competitiveness problem is simply too great and its political leadership too weak. But if it goes down this path, Greece will find that the markets will refuse to lend it money at reasonable rates unless it does pretty much the same things Germany is asking it to do. Life without Germany will mean a lot more austerity than life with Germany.

1865 U.S. CIVIL WAR ENDS

1904

CITI MEETS ROOSEVELT. ATLANTIC MEETS PACIFIC.



1945 U.N. FORMS

When Teddy Roosevelt needed help to finance the excavation of a 51-mile canal through the jungles of Panama, Citi was ready to get started. Many said it couldn't be done, but we respectfully disagreed. Today, east is 8,000 miles closer to west, 50 vessels pass safely through the Panama Canal every day and international trade is booming. For the past 200 years, we have helped individuals, communities, institutions and nations turn their ambitions into achievements. We're proud to look back on so much forward thinking.

1989 BERLIN
WALL FALLS

Visit citi.com/200

200 YEARS **citi**

IF WE

▶ dye our hair, can the packaging show us the perfect color?

Intelligent packaging
– a dream our software could bring to life.

In a market where as many as 80 percent of products fail within their first year of launch, fast moving consumer goods companies are increasingly listening to what their consumers really want – and using technology to achieve the consumers' dreams. Intelligent packaging may one day improve the shopping experience to the extreme by letting consumers test the product in the store.

The 3DEXperience platform from Dassault Systèmes gives brands the framework they need to deliver better, faster, smarter innovation. The result: everybody will have the ability to collaborate socially and effectively to create the future consumer experiences.

Our software applications for the 3DEXperience platform:

CATIA / SOLIDWORKS / SIMULIA / DELMIA / ENOVIA
GEOVIA / EXALEAD / NETVIBES / 3DSW4M / 3DVIA



It takes a special kind of compass to explore the world's future possibilities. Innovative companies use our 3DEXperience software platform to understand the present and navigate the future.

Find out more: 3DS.COM/CPG



Joe Klein



TO READ JOE'S
BLOG POSTS, GO TO
time.com/swampland

Why Tehran Might Be Ready to Talk

Two years of persistent U.S.-led diplomacy may finally be getting to the powers in Iran

HERE IS HOW IT USUALLY WORKS when the world attempts to negotiate with Iran about its rogue nuclear program: The U.N. passes a resolution, or threatens sanctions, or imposes sanctions. Iran's friends and trading partners, like Russia and China, quietly exert pressure for talks. Iran agrees to talks but dawdles, arguing that it will need time to prepare. Months pass. Finally, there are talks, which consist of dueling speeches. The members of the U.N. group designated to negotiate with Iran—the U.S., Britain, France, Germany, Russia and China—present a statement listing the world's concerns about the Iranian program. The Iranians read a statement demanding an end to sanctions before any talks can begin. And that's it. The Iranians go home, continue to enrich their uranium and continue to refuse the International Atomic Energy Agency (IAEA) access to inspect certain sites. That is what happened in Geneva in 2010 and in Istanbul in 2011. But something very different is happening this year.

A meeting was scheduled for Istanbul

on April 13. At first, it seemed the same old dodge: weeks were wasted as the Iranians attempted to switch the site of the meeting to Baghdad. That effort met a brick wall; the U.N. coalition, often a spongy alliance, refused to countenance it, and the Iranians... backed down. And then they began to actually talk with the European Union's designated negotiator, Helga Schmid. Their statement at the Istanbul meeting was substantive. They agreed to another meeting, which will take place on May 23 in Baghdad. They've continued to talk to Schmid. They seem to understand what the world is asking of them. They promise to make a serious proposal in Baghdad. There is some cautious op-

timism that, as the retired U.S. diplomat Nicholas Burns puts it, "for the first time in 32 years, since the Iranian revolution, there is the possibility of serious, substantive and sustained talks with Iran."

What on earth happened? Diplomacy happened. The Obama Administration conducted a quiet, persistent two-year campaign to bring the Russians and Chinese into a united front supporting the most serious round of economic



sanctions ever passed by the U.N.; the European Union and the U.S. have imposed further sanctions, against Iranian oil and Iran's central bank, that are scheduled to kick in this summer. The economic impact of these sanctions has been greater than anticipated. Iran's economy is nearing collapse; its oil sits on ships, awaiting customers. Iran's Revolutionary Guards Corps, the real power behind the regime, controls about a third of the Iranian economy, and it is being hurt badly. Iranian sources speculate that the Guards have been pressuring Supreme Leader Ali Khamenei to make a deal or get the sanctions eased by appearing to make

a deal. But it's difficult to know for sure what's happening within the regime.

Israel has made a difference too. Its covert campaign to sabotage the Iranian nuclear program has been very successful. Its overt threats to bomb Iran's facilities are taken seriously by the regime, even if most experts believe that Israel lacks the capacity to do much permanent damage to the Iranian program.

So what can we expect from the Baghdad

talks? The biggest issue on the table is the IAEA's ability to make intrusive, unannounced inspections of the Iranian nuclear program, including visits to military facilities like Parchin, where the Iranians may have been testing the blasting devices that can initiate a nuclear explosion. The U.N. has also demanded that Iran suspend its enrichment program. Neither of those concessions is likely to be made in Baghdad. The Iranians have made noises about suspending their program to enrich uranium to 20% purity, a precursor to the creation of a nuclear bomb, in return for an easing of the sanctions. Iran may agree to ship out its 20%-pure uranium in return for fuel rods that can be used in its medical reactor, which creates isotopes for radiation therapy in Tehran. Or it may offer to simply talk about these possibilities. It won't agree to suspend its program to enrich uranium to 3.5% purity, the level necessary for peaceful nuclear power.

If Iran offers to suspend production of 20% uranium, that will be big news. And there will be pressure to ease the sanctions. It is possible that the Russians or the Chinese—or even the French, now that Nicolas Sarkozy is no longer in charge—will concede, which is what the Iranians are obviously hoping for. The true test of the Obama Administration's diplomacy will be if it can hold the coalition together and continue to demand rigorous IAEA inspections. Only if the coalition holds, and no immediate concessions are made, will we see if Iran is really serious about negotiations this time. ■

The Resource Miracle

The rock star and activist explains why Africa could be this century's success story

IT'S BECOME THE GO-TO CLICHÉ OF modern economics. Natural resources are a "curse." When a nation is over-reliant on one or two commodities like oil or precious minerals, corrupt government ministers and their dodgy associates hoard profits and taxes instead of properly allocating them to schools and hospitals. Happy the country that lives on nothing but its wits; cursed be the one that thinks it can get rich by planting or digging or drilling for wealth.

Such is the collective wisdom. So we must ask the collectively wise, How did the U.S. avoid the curse? And what might that tell us about other countries' chances of doing the same?

When European settlers arrived in North America, they found a continent groaning with abundance—soil in which anything would grow, stands of timber marching to the horizon. Under the land were vast reserves of gold and silver, coal and oil. Over time, Americans learned how to harvest this natural endowment—not just to build a modern society but also to feed and supply the world.

The story, of course, wasn't always a happy one. The extraction of oil, coal and minerals brought, and still brings, a cost to the environment. Still, the bounty didn't and doesn't belong only to the barons. And that, unlike finding oil in your backyard, has nothing to do with luck. Americans put in place laws regulating how those resources get extracted and how good fortune gets shared.

This summer the world has a chance to work that miracle a second time—and without the worst parts of the American

story. As they gather at the G-8 summit at Camp David this month and again in June at the G-20 in Mexico, international leaders focused on the euro and Iran should make time to ensure that a new resource boom benefits the many, not the few.

This new boom won't be in the U.S. It will be in developing regions like Africa. In many ways, Africa is to this century what North America was to the 19th. It has 60% of the world's undeveloped arable land and vast reserves of coal, oil and minerals, together with enormous renewable-energy resources.



Natural wealth Gold miners brave a cliff in mineral-rich Congo

Sub-Saharan Africa is also home to 400 million of the world's poorest people. These resources should be theirs. Get the development of them right and the forthcoming financial resources—invested well—can transform the lives of countless numbers of people.

Food and agriculture are the place to start. At Camp David, the G-8, led by President Obama, will work on an ambitious plan for global food security, centered on commitments made and costed by 30 nations in the developing world. By partnering with such leadership, there is a very real chance of lifting 50 million people out of extreme poverty over the coming decade and sparing 15 million children the cruelty of severe malnourishment.

This isn't about the G-8's committing massive new aid increases. It's about continuing present investment and making

it smarter. Beyond food, Africa's vast oil and mineral reserves can be a pipeline to investments in health, education and roads. Mineral extraction is an expensive enterprise, and those who invest in it deserve to make a profit. But they should pay what they owe to governments. Transparency is the vaccine to prevent the biggest disease of them all—corruption, which any African will tell you is killing more kids than HIV/AIDS and malaria combined.

That's why in 2010 the U.S. Congress passed groundbreaking legislation that requires every extractive company listed on a U.S. stock exchange to publish any payments they make to overseas governments, project by project. That information lets Africans hold their leaders to account for the way revenue is spent. Even oil companies will benefit: they're less likely to be criticized by those whose resources they are harvesting. But while the Securities and Exchange Commission crafts rules based on this legislation (amid lobbying by those

who think it doesn't work for them), the European Union, considering its own new law, contemplates something worse. World leaders can break the logjam by backing tough rules on the transparency of payments.

In hard times, we hear a lot about "resource management." Resource mismanagement—whether food insecurity or corruption in oil and mineral development—is something the G-8 can reverse, and it can do it not by spending new money but by acting in partnership with the developing world. If I've learned anything in more than 25 years of making noise about this stuff, it's that partnership trumps paternalism. This summer let's hope the G-8 and G-20 listen more intently to the people we hope to serve and bring the boom without the bust.

This isn't about the G-8's committing massive new aid increases. It's about continuing present investment and making it smarter

If The World Were Like Sheraton...

All views would be appreciated.



Sheraton Club Lounge.

Open 24/7. Complimentary breakfast, hors d'oeuvres and Wi-Fi.
All in our beautiful, redesigned space. What a great place to share
some captivating views. Book now at Sheraton.com. **Meet You There.**



Sheraton

spg.

Starwood
Preferred
Guest

LE MERIDIEN

loft

FOUR
POINTS

WESTIN

THE LUXURY
COLLECTION

W
HOTELS

S
Sheraton

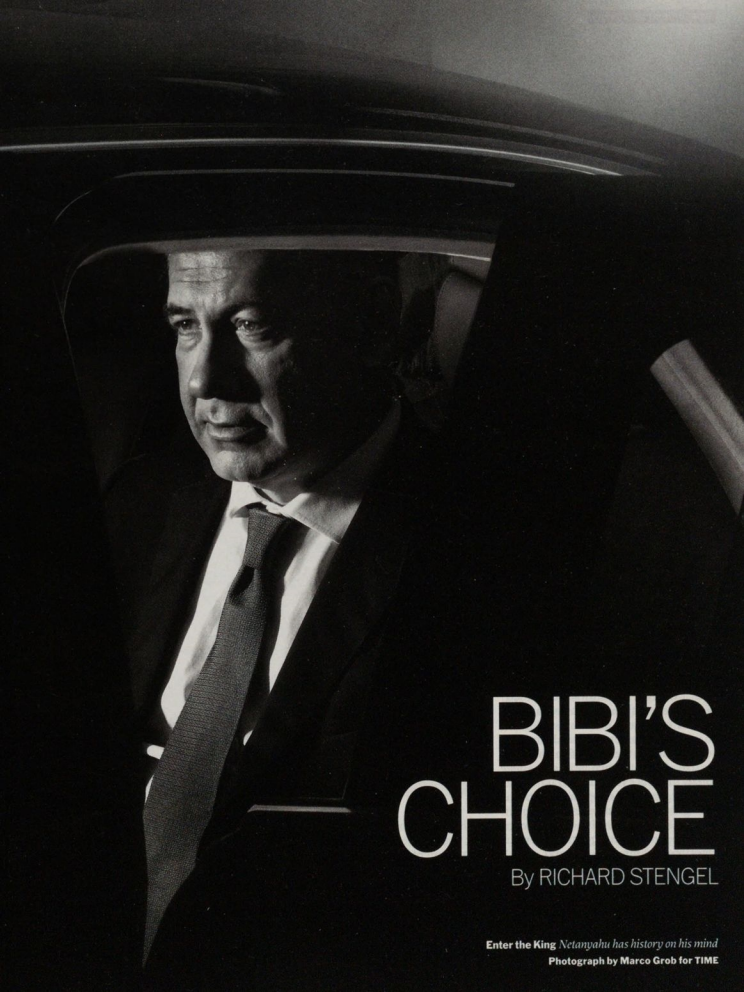
ST REGIS

element

WORLD

WILL HE MAKE WAR?
CAN HE MAKE PEACE?





BIBI'S CHOICE

By RICHARD STENGEL

Enter the King *Netanyahu has history on his mind*

Photograph by Marco Grob for TIME

ON THE FINAL NIGHT OF PASSOVER, BENJAMIN Netanyahu is carrying a tray piled high with the sweet marzipan cookies Moroccan Jews eat to celebrate the end of the holiday. He offers me one and says in a stage whisper, "You can get sugar shock from these things." He then pats his belly in the universal gesture of *I can't afford to have one myself* and grins. We are in Or Akiva, a working-class town south of Haifa where chickens roam the dusty streets and where Bibi—everybody but everybody calls him Bibi—has arrived to mark the end of the fast in a traditional Jewish celebration known as Mimouna. The owner of the dirt-floored house, who has rough hands, nine children and 23 grandchildren, toasts the Israeli Prime Minister. These are the people who worship Bibi and believe he is the only man who can lead Israel.

Ten minutes later we are in the ancient port city of Caesarea at a party at the regal home of a movie-theater magnate, where young people wear the latest fashions and do not clamor around Bibi. It is well after midnight, the party has thinned out, and we are eating *shawarma* prepared by an Israeli Arab from Nazareth. The Arab caterer comes over to say hello, and Bibi tousles the hair of the caterer's young son. Caesarea, Bibi tells me between mouthfuls, was built by Herod around 25 B.C. "Herod," he says with a smile, "was a much better builder than a general."

Bibi has history on his mind. Bibi always has history on his mind. He talks about what he learned from his first term, when he was practically chased out of office. "I thought I was finished in 1999," he says with a shrug, "that my career in politics was over." But then something changed. He gestures around him and suggests that in the space of half an hour, we had visited the two Israels, one blue collar, the other the gilded class. He acknowledges that his popularity with the first group—the outsiders, the Sephardim, the Russians, the ultra-Orthodox, the settlers—not the European Ashkenazic elites, brought him back to power.

After a political thunderstroke on May 8 in which he created a center-right coalition with the rival Kadima party, giving him an enormous legislative majority, Netanyahu is poised to become the longest-serving Israeli Prime Minister since David Ben-Gurion, the founding father of Israel.



He has no national rival. His approval rating, roughly 50%, is at an all-time high. At a moment when incumbents around the world are being shunted aside, he is triumphant. With his bullet-proof majority, he has a chance to turn himself into the historic figure he has always yearned to be. He has become, as some commentators have dubbed him, the King of Israel.

But to be a historic figure, one must

make history. Now we will find out what the king really believes. Is he a statesman or a pol, a builder or a general, the Israeli leader who can finally make peace with the Palestinians or the one who launches a potentially disastrous unilateral attack on Iran? Can he keep Israel a distinctive Jewish state and preserve it as a democratic one? As a historian of the Zionist movement, Bibi knows these choices better



than anyone else. As a soldier, he also understands the dark history that lies behind the creation of Israel. The question is whether he is a prisoner of that history or can write a new narrative.

Bibi's days-old coalition is more a marriage of convenience than a high-minded quest for national unity. Eight days after the death of his beloved father, two days after calling for elections, Bibi made the

Uneasy alliance Bibi at the White House in March. Says National Security Adviser Tom Donilon: "I think the Israeli-U.S. relationship is as strong as it's ever been."

deal with Kadima to give him an overwhelming majority. It's been likened to the national unity government that Israeli Prime Minister Levi Eshkol put together on the eve of the Six-Day War, a darker time than today. Some say Bibi's new alliance with a more moderate party gives him the political margin to strike Iran's nuclear facilities unilaterally. If so, Bibi is mum. He tries not to mix the issue of Iran with elective politics. Still, he is routinely hammered by the Israeli press. He gets it from all sides, even close to home. At the end of the evening, Bibi's eldest son walks over to the table. He is currently doing his military service and is slighter and fairer than his father. "My son tells me I have too many yes-men around me," Bibi says with a knowing laugh. "Oh, what I would give for just one yes-man!"

WHEN WE SEE BIBI IN AMERICA OR EUROPE, he seems American or European: he adapts himself to his environment. In Israel, Bibi seems more Israeli, more Middle Eastern. His accent is heavier; his clothes are more rumpled; he is funnier and more relaxed, more rooted to the land of his father and forefathers. The former head of Israel's internal intelligence service recently called Bibi messianic, unsuited to handle the levers of power. Netanyahu himself calls the Iranians messianic, and perhaps it takes one to know one. He is profoundly ambitious and driven, but there is no doubt that he sees his primary responsibility as being the custodian of Israel's safety and that his mission is to preserve his nation for his children and grandchildren. How he does that will be his legacy.

For Netanyahu, the Jews are not so much God's chosen people as his argumentative ones. They don't take things on faith. Abraham, Moses and Job, he notes, all argued with God. And sometimes won. Like Bibi, they were ornery and maybe had a chip on their shoulder. You can imagine Bibi arguing with God, and he probably does. Israeli society hums with contest and grievance. The name Israel derives from Jacob's wrestling with the angel. Islam, Bibi has suggested, is about submission, Judaism about arguing. And if you disagree, he will argue with you. Just because everyone thinks something, he says, doesn't mean it's right.

When I ask Bibi whether he thinks the Iranians are rational actors, he replies,

"People say that, but how do you know that?" *How do you know that?* could be his mantra. People say the Palestinians want to live in peace. How do you know that? People say the Arab Spring is good for democracy. How do you know that? His attitude is, Show me the evidence. Prove it. He sees himself as the last empiricist. He thinks people, especially liberals, take too much on faith. He dwells in reality.

Bibi can live with an unfinished argument. After all, the Israelis have been going at it for 4,000 years. Bibi may monitor the polls day to day, but he also puts things in the context of Israel's history. This too shall pass, he often seems to be saying. We can wait it out. People say the status quo is unsustainable. How do you know that? What's another five years, or 50?

Ronald Reagan, an idol of Bibi's, used to say, "Trust but verify." Bibi's attitude is "Don't trust. Verify." Like his father, he sees Jewish history as a succession of holocausts. Like his father, he has an almost mystical belief in the abiding power of anti-Semitism, as though it were more biological than cultural. "There was a sense that anti-Semitism stopped after the Holocaust," he says. "But it's been going on for millennia. And it's coming back with these challenges to the Jewish state." Others may wring their hands over Israel's militaristic global image. Not him. In the world according to Bibi, it is better to be victor than victim.

Greater Israel

BIBI PRESIDES OVER AN ISRAEL THAT IS significantly more complex and diverse than that of his predecessors. It now has the second largest Jewish population in the world: 6 million, about half a million fewer than the number of Jews in the U.S. A quarter of Israel's population is Arab or non-Jewish. Israel tries to be both Sparta and Athens. It is a martial country that devotes 6.3% of its GDP to defense while being a haven for democracy and entrepreneurialism.

After the U.S. and China, Israel has the most companies listed on Nasdaq. Though that fact has helped Israel avoid the worldwide recession, not all is rosy in the Promised Land. Israel was founded by socialists and used to have the lowest income inequality in the world. Not anymore. It's expensive to live there. A cost-of-living protest in Tel Aviv last year saw hundreds

of thousands of Israelis marching in the street. People there don't complain about the Palestinians or Iran; they kvetch about the economy. And when they are done worrying about their finances, they fret about fairness. Many religiously moderate Israelis complain about the political perks of the ultra-Orthodox (the *haredim*, or God-fearing). The ultra-Orthodox have enormous families and enjoy welfare benefits and state subsidies. Most men don't work but instead study the Torah. They're exempt from serving in the military, the most important national demonstration of shared sacrifice—a word not bleached of meaning in a country where everyone knows someone who has lost a son. Bibi's new coalition is likely to call for a universal draft, which would include the ultra-Orthodox, in part to appease religious moderates. Unity on the matter of Iran is just as shaky. Polls show that only about a third of Israelis support a unilateral strike on Tehran's nuclear sites. Another third oppose military action. And a third are not sure. If there is a strike, pretty much everyone would like U.S. support. No one argues over that.

The Iranian Exception

ON THE AFTERNOON AFTER WE TALKED IN Caesarea, I meet Bibi at his official residence in Jerusalem. The White House this isn't. It's an unmemorable modern building in a busy part of the city. Inside, one walks along paths that have not been swept, past unfinished construction and

gardens that look untended. We sit in the courtyard outside his study, which has a naked concrete floor, some rickety chairs and an old couch. When Bibi signals that he's hot, a worker silently rolls out a creaky shoulder-height rotating fan that she places right behind his head. It is the opposite of formal.

When Bibi was Prime Minister for the first time, he addressed a joint session of Congress in Washington and used these words: "The deadline for attaining this goal is extremely close ... Deterrence must be reinforced with prevention, immediate and effective prevention ... Time is running out." He was talking about Iran, and now, 16 years later, time may actually be running out.

He sees Iran as exceptional, and not in a good way. "It could be the first time we have a nuclear player who will not necessarily play by the rules. All the previous nuclear powers have been careful," he says. To him, this is as clear a threat to Israel as has ever existed. He gets exercised on the topic. "This is the greatest threat not just to Israel and the Middle East but to civilization. You don't know how they will behave."

Last September the then air-force chief of staff told Netanyahu's security cabinet that a strike by Israel alone would not affect Iran's nuclear program in a "meaningful way." *Meaningful* has been defined as setting back the Iranian weapons effort by at least two years. That's chiefly because Israel lacks the heavy ordnance that could destroy the underground Iranian weapons facilities or the long-range bombers that could reach the targets without midair refueling.

Which helps explain why, as the Iran nuclear talks resume next week in Baghdad, there is hope in Washington and elsewhere that Iran will knuckle under to the latest round of sanctions and agree to shut down its nuclear-enrichment facilities and allow U.N. inspections. The sanctions, one of the most effective foreign policy initiatives of the Obama Administration, have caused the Iranian rial to lose 75% of its value and unleashed hyperinflation on the Iranian economy. With Israel, says U.S. National Security Adviser Tom Donilon, "We share the same goal"—that is, preventing Iran from getting a nuclear device. "The question," he says, "is whether military

REAGAN, AN
IDOL OF BIBI'S,
USED TO SAY,
'TRUST BUT
VERIFY.' BIBI'S
ATTITUDE IS
'DON'T TRUST.
VERIFY.'

BIBI'S ASCENT. FROM SECOND SON TO SOLDIER TO LEADER OF ISRAEL



With his older brother Yoni, above right, who died in the 1976 Entebbe operation in Uganda to rescue Israelis taken hostage by terrorists

At left, with his wife Sara in Jerusalem



Playing chess with his father Ben-Zion, whom he visited regularly until his death in April



During his years in the Sayeret Matkal, the elite commando unit of the Israeli army

action is the most effective way to accomplish your goal."

But Bibi does not share the general faith in negotiations or give any ground on the military option. There's a greater threat in doing nothing, he says, than in acting. Game theory would also suggest that there is no downside to Bibi's bluster. But he gives no hint that he is anything but dead serious.

Like Father, like Son

BIBI LIKES TO TALK ABOUT BOOKS. IN CONVERSATION, he refers to books by Will Durant, Michael Walzer and Arthur Laffer. He talks about the books he has written on terrorism and the history of Zionism. His study is teeming with books. But when I leave after 2½ hours of conversation, the one book he presses on me and says I must read is a slim volume by his father about the five Zionists who helped create Israel.

Bibi is extraordinarily respectful of his father. When Ben-Zion Netanyahu died in April at the age of 102, Bibi sat shivah for the full seven days. Ben-Zion was born in Poland and was one of the original Revisionist Zionists. They believed Israel should exist on both sides of the Jordan River, and they rejected almost any form of compromise with the Arab states. As a young man, Ben-Zion went to the U.S. to work for Ze'ev Jabotinsky, the father of Revisionist Zionism, and after Jabotinsky died in 1940, Ben-Zion lobbied top Republicans and helped get a plank in the 1944 GOP platform in favor of a Jewish state.

Ben-Zion was the Israeli version of another political father, Joseph Kennedy. Like Kennedy, he put his hopes in his eldest son, Yoni, for a political future, and like Joe Kennedy Jr., Yoni was killed in combat—in his case, leading the famous 1976 raid in Entebbe, Uganda, to rescue hijacked Jewish hostages. Bibi, like Jack Kennedy, was the second son, something of an afterthought in his father's eyes.

"My father gave me two pieces of advice when I went into politics," Bibi recalls. "Never touch money, and don't use ad hominem attacks on people. But when I became Prime Minister, I asked him, What attributes does one need to lead a country? He was older then, and he asked me, What do you think? I said, You need convictions and courage and the ability to act. He said, You need that for anything. He then said what you need to

lead a country is education, and by that he meant an understanding of history, the knowledge to be able to put things in perspective." Bibi considers this for a moment. "I didn't expect that answer," he says and smiles.

Ben Zion's lifework was a 1,384-page history of the Spanish Inquisition. The book has a radical thesis: that the *conversos*, the Jews who had willingly converted to Christianity and were then killed by the thousands for allegedly practicing Judaism in secret, had done no such thing. Almost all of them were practicing Christians, Ben Zion wrote, and their extermination came from a deep and murderous anti-Semitism, not from religious persecution. Even conversion, he suggested, doesn't protect Jews from anti-Semitism. Ben Zion believed that the history of the Jews is a history of holocausts and that the enemies of the Jews like the Arabs will be happy only when the Jewish people no longer exist.

In the 1950s and '60s, Ben Zion taught at Dropsie College for Hebrew and Cognate Learning in Philadelphia. "I cried when my father told me we were moving to America," Bibi recalls. Bibi enrolled at suburban Cheltenham High School. "Everyone was divided into nerds and jocks. I was both. I was in four honors classes. It was like being tutored in the best private schools."

According to Bibi, when he was a senior, he applied to Yale and got in. But he decided to do his military service in Israel and kept deferring his acceptance. He joined the Sayeret Matkal, the elite special-forces unit of the Israel Defense Forces, and stayed in for five years, participating in many counterterrorism operations and returning in 1973 for the October War. On the bookshelf of his private office is a picture of his unit. He walks over to the photograph and describes each man to me. He tells the story of a tall, slender soldier who almost died because he sat down in the snow of the Golan Heights when they were fighting in Syria. "You can freeze in seconds," he says. Bibi points out the Druze guide who, he says, "saved my life twice," once by pulling Bibi out of a river by his hair. He then describes what each man is doing today. Bibi rarely talks about his military service, and when he does, he talks more about his comrades than himself.

He decided not to attend Yale but to go to MIT because he thought the future was in technology; he earned a degree in architecture and then got a master's in business administration. Then he worked for a while in Boston at Boston Consulting Group. What he took away from that was Bruce Henderson's idea that every company must find its competitive advantage if it is to succeed over its rivals. He says he has applied the same strategy to Israel. It was at Boston Consulting that he met Mitt Romney. "We did not know each other that well," Bibi says. "He was the whiz kid. I was just in the back of the room." Bibi says he has seen Romney only a handful of times over the years and only once this year. They spoke for 10 minutes during his visit to Washington in March, mainly about Iran.

When his brother Yoni was killed at Entebbe, Bibi was devastated. He adored Yoni. In Jerusalem in 1979 he created a conference on terrorism. It was a great success, and Moshe Arens, then the Israeli ambassador to the U.S., invited him to be the No. 2 in the embassy in Washington in 1982. In 1983, Arens was summoned back to Israel to be the Defense Minister, and Bibi became Israel's ambassador to the U.N. and the face of Israel on American TV. He appeared regularly on *Nightline* and became the Israeli-American It boy—confident, handsome, fearfully articulate in virtually accentless English. Every suburban Jewish mother had a crush on him. Until Bibi, Israel had had only one

appealing spokesperson in the U.S., the dapper, British-accented Abba Eban. But if Eban was *Masterpiece Theatre*, Bibi was the streetwise local anchorman who told it like it was. Bibi was the first Israeli-American crossover artist and acquired a keen understanding of American media on which he has relied ever since.

He also has a better understanding of U.S. politics than many American politicians. His speech to a joint session of Congress in 2011 received 29 standing ovations. "I follow American politics," he says evenly, "but I don't interfere in American politics." The White House might disagree. Until Netanyahu came along, Israeli Prime Ministers believed that the key relationship was with the U.S. President. But Bibi had a different insight: an Israeli Prime Minister must have a relationship not only with the President but also with Congress, the American public, American Jewry and, of course, the U.S. media. To Bibi's way of thinking, the President is not necessarily even the first among equals.

Bibi is popular among American Jews, but so is Barack Obama. A survey in April found that 61% of Jewish voters favored Obama and only 28% were for Mitt Romney. Jewish voters are one of the few groups in the U.S. that have historically voted against their economic interests, usually backing Democratic candidates over GOP counterparts by at least 2 to 1. And though Obama ruffled the feathers of many American Jews in his first two years in office, tensions have mostly abated. Most of Obama's Jewish bundlers have reupped for the campaign. Some close advisers to Bibi see Obama as the one exception in a long line of Israeli exceptionalists in the White House. This group regards Obama as someone who has no special fidelity to Israel, unlike his immediate predecessor. But at the moment, both sides are singing "Kumbaya." Bibi says cooperation with U.S. intelligence is good. Says Donilon: "I think the Israeli-U.S. relationship is as strong as it's ever been."

No Justice, No Peace

BIBI HAS NEVER MADE PEACE WITH the peace process. "Peace treaties don't guarantee peace," he says. He believes that the Israelis and the Palestinians have competing and incompatible narratives. Forget the 1967 borders: Bibi wants to go back to 1948 or further. "The first 50 years

'I FOLLOW AMERICAN POLITICS,' HE SAYS EVENLY, 'BUT I DON'T INTERFERE IN AMERICAN POLITICS.'



Losses Bibi with his family at Ben-Zion's funeral. He inherited from his father an almost mystical belief in the abiding power of anti-Semitism

before 1967 were all about conflict," he says. "So what's new?"

Palestinian President Mahmoud Abbas—Bibi calls him by his honorific, Abu Mazen—would like to resume negotiations where they left off with Bibi's predecessor Ehud Olmert. Abbas and Olmert met 36 times in 2007 and 2008, and both say they came closer to a deal than anyone had before.

When Obama took office, people thought he would bring a new dynamic to the talks that would favor the Palestinians. Obama asked Bibi to freeze settlement construction for one year as an act of good faith. And then Abbas did not come to the table. When Abbas was finally coaxed to do so, he presented Bibi with the same package Olmert had negotiated. Abbas says he won't talk while settlements are being built, and Bibi says he wants talks "without preconditions." The only freeze now is in the negotiations themselves.

But Bibi has taken a harder line. He says he will accept only Israeli forces, not NATO's or anyone else's, to provide security in the Jordan Valley. Perhaps the biggest impediment is Bibi's insistence that the Palestinians recognize Israel as a "Jewish state." In other words, Palestinians must not only renounce claims to present-day Israel but also accept Israel's historical narrative. It is a little eerie to hear Bibi insist on this because it echoes what his father said over and over for more than

50 years about Israel. To some, Bibi isn't negotiating; he is dictating terms.

The stalemate is what drove Abbas to the U.N. to seek full recognition and membership from the world body last September. The real anxiety for Israel is that recognition of Palestine would give them access to the International Criminal Court, opening Israel up to a potentially vast number of claims. Meanwhile, settlement construction has resumed with a vengeance. Settlements and the buffer zones and roads supporting them now constitute 40% of the West Bank.

The longer Bibi and I talk about the Palestinians, the more I get the sense he just does not believe that they want peace or that they are capable of democracy if they had it. He remains skeptical about the direction of the Arab Spring. "Locke and Montesquieu are not exactly household names there yet," he says.

But what Bibi does have now is a governing coalition that will not leak or collapse if he opens negotiations. He will no longer have to look over his shoulder. He

will not have to call elections at the drop of a hat. He has not had that before, and it gives him room to maneuver and room to compromise. "Now he is the emperor ... he can do anything," Abu Mazen said last week. "If I were him, I would do it now, now, now."

Something to Believe In

BIBI LIKES TO SAY MOSES WAS A GREAT leader but not a great navigator. But to Bibi's delight, it turns out that Moses' sense of direction wasn't so bad after all. The discovery in December 2010 of a gargantuan deposit of natural gas off Israel's Mediterranean coast and an even larger area of shale oil not far from Jerusalem will likely turn Israel into a net oil and gas exporter. No longer will the Arabs in the Middle East have a monopoly on energy.

This bit of serendipity is not enough to turn Bibi into an optimist, but it is something tangible that will help him secure Israel's future. It is, in fact, something to trust. But there isn't much else he trusts. Obama often quotes Martin Luther King Jr.'s notion that the arc of the moral universe is long but bends toward justice. Bibi's not so sure.

In the end, Bibi would like to be a hero, but he will not be one at the expense of Israel's security. He wants to be a defining figure in Israeli history and a significant player on the world stage, but he will not risk what he sees as Israel's safety to be one. His ambition and now his security as Prime Minister, though, may let him take that risk. Of the Palestinians, he says, "If they figure it out, they will never have a better partner than me. I can make it happen and make it stick."

He is a believer in Israeli and Jewish exceptionalism. The Jews have a deeply ingrained ingenuity that has always helped them survive. "Now, with our ingenuity, we also have gas. We're in a providential situation. Our story is one of overcoming tremendous odds. People respect that." He is silent for a moment. "If you're a deeply religious person, you have a guarantee." He pauses, knowing that he has none. "It would be great to sit back. That would be nice." Nice as that might be, he knows it is an option he does not have. —WITH REPORTING BY

CLEO BROCK-ABRAHAM/NEW YORK, JAY NEWTON-SMALL/WASHINGTON AND KARL VICK/JERUSALEM



NATION

BRING OUR SON HOME

The parents of America's only missing soldier in Afghanistan almost got him back from the Taliban. What went wrong?

BY ARYN BAKER/KABUL AND NATE RAWLINGS/HAILEY

Photograph by Christopher Morris for TIME



No greater love

From their home in Idaho, Bob and Jani Bergdahl have been working for three years to secure their son Bowe's release

Bob Bergdahl was halfway through his UPS delivery route on the evening of June 30, 2009, when he received an urgent message from his dispatcher, requesting that he return

immediately to headquarters. Bergdahl had spent the afternoon the same way he spent most afternoons, delivering packages to the far-flung mountain settlements outside Hailey, Idaho, where he lives with his wife Jani and where they had brought up their two children Sky and Bowe. By the time Bergdahl turned in to the graveled parking lot of the UPS hub, it was 7 p.m. Standing there, next to his wife, were two American soldiers in dress uniform. Alongside them was an Army chaplain. For the father of an American infantryman serving in Afghanistan, that could mean only one thing: his beloved son was dead. "How is Jani going to take this?" he wondered. But the two soldiers had something else to tell him. Twenty-three-year-old Private First Class Bowe Bergdahl had gone missing from his base in eastern Afghanistan, near the Pakistani border. He was, they explained, DUSTWUN—a military acronym that means "Duty Status Whereabouts Unknown." Bob and Jani stood in the parking lot, and together with the chaplain, they prayed.

They did not yet know it, but their son was a prisoner of the Taliban, the only American soldier ever to be taken alive and held by the militant group that the U.S. has been fighting since the war began in October 2001.

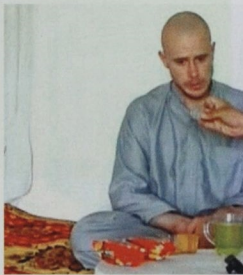
Some families would have gone public with the news immediately, telling the world that their son must be brought home—now. The Bergdahls, though, are quiet people. The close-knit family—Jani had homeschooled Bowe and his older sister—retreated into silence. They preferred to work behind the scenes, lobbying the State Department and the Department of Defense to pursue Bowe's release. They worried that too much exposure might

make things worse. Other than some carefully scripted official statements and a single self-made YouTube video, in which Bob Bergdahl addressed Bowe's captors and asked for his only son's safe return home, Bob and Jani had never spoken in public about their son.

But on May 9, just weeks after Bowe's 26th birthday, the Bergdahls emerged from their self-imposed silence with an unexpected interview in a local newspaper, saying they believed the U.S. should negotiate a prisoner exchange for their son with the Taliban and that "everybody is frustrated with how slowly the process has evolved." After a flurry of interviews with the national media, in which they revealed that Bowe had in fact been the subject of a failed deal involving the transfer of five Taliban prisoners from the U.S. military

prison at Guantánamo, they retreated to the sanctuary of their family home, located in the shadow of Idaho's Smoky Mountains, a range of peaks so wild and raw they wouldn't look out of place on the Afghanistan-Pakistan border. But in an interview at a local coffee shop after most of the reporters had left town, Bob Bergdahl,

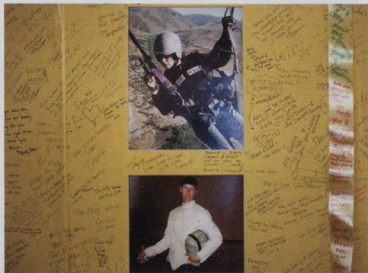
52, described the agonizing journey his family has undertaken, how the pressure has built with the passing years and why he felt he could stay silent no longer. Pained but reflective, Bergdahl spoke for more than two hours, never becoming truly emotional and deflecting any question about his inner life to focus on what he could do, must do, to get his son back. "We do not want to pressure the White House. We do not want to pressure Congress," Bergdahl said. "They're going to have to come to terms the way they always do, through hardcore politics, especially in an election year. But at the same time, we have a window of opportunity in Afghanistan,



and that window is not going to wait for a national election to come to an end. I don't think we can count on the dynamics on the ground in Afghanistan to be the same in November as they necessarily are now. This is a war, and war doesn't wait on politics."

TIME has learned that the urgency the Bergdahls feel is rooted in a recent split in the Taliban movement that, in a cruel twist, was precipitated by the very negotiations that were meant to secure the release of their son. People close to the Taliban and the particular faction that is holding Bergdahl say the once secret talks with the Americans sparked a furor among hard-line Taliban fighters who felt they were being sold out by some of their leaders. Those hard-line Taliban are now—according to Taliban, other Afghan and American sources—in no mood to restart talks over Bergdahl, or anything else for that matter.

But Bowe Bergdahl remains a unique



In the enemy's hands Clockwise from top left: Bergdahl with his identity tag in 2009; a poster on the wall of Zanley's coffee shop; Bergdahl at 16; a 2010 screen grab of Bergdahl and a captor

and valuable bargaining chip for the Taliban, and that gives his parents hope. To the U.S. government, he also presents an opportunity for much broader political gains. His release might push the fitful peace talks with the Taliban further along. "The onus is on the Taliban to come back to the negotiations if they want to move this process forward," says an Obama Administration official.

These three disparate entities—the Bergdahls and their Hailey community, the U.S. government, and the Taliban—have mobilized assets at hand to achieve the oddly shared goal of bringing the crisis over the young U.S. soldier to a close, even as they pursue very different endgames. At the heart of it all is a young captive who has declared in one of the five hostage videos released by the Taliban, "I am a prisoner. I want to go home. The Afghanistan men who are in our prisons, they want to go home too."

In Custody of the Taliban

AT THE BEGINNING, BOWE BERGDahl refused to make life easy for his captors. "He was not cooperating," one Taliban commander tells a *TIME* special correspondent based in Peshawar, Pakistan. Initially, Bergdahl refused to eat as he was moved rapidly around the border region of Pakistan and Afghanistan. After his capture, he was taken first to the Pakistani town of Angoor Adda, which borders the Afghan province of Paktika, where Bergdahl's Army unit was based. Soon after, he was shifted to the thickly forested mountains of North Waziristan's Shawal Valley, where the network of the Taliban-aligned

militant leader Sirajuddin Haqqani is headquartered. North Waziristan is a forbidding, xenophobic land of suspicious clans where no stranger goes unnoticed and where perilous terrain makes infiltration by even the most dedicated intelligence agencies extremely difficult. Another militant who, like the others, requested not to be identified, in deference to Taliban rules against speaking to the media, said that once Bergdahl was in Pakistan he was almost entirely beyond the reach of the U.S. military. "We had been waiting for years and years to hunt down such an important bird. Once one fell into our hands, then we knew how to keep it safe and sound."

How Bergdahl fell into the hands of the Haqqani network remains unclear. Within days of his disappearance on June 30, a Taliban commander crowed to the media that his group had captured a drunken American soldier outside his base. Two and a half weeks later, they released a video. Bergdahl, dressed in local garb and showing the beginnings of a wispy beard, said he had been captured after falling behind on a routine foot patrol. Unnamed soldiers from his base, however, told international media outlets that he had wandered into the scrub-covered mountains on his own with his journal and a supply of water, leaving his weapons and armor behind. An unidentified U.S. official told the Associated Press at the time that he had "just walked off" after his guard shift was over.

Whatever the truth, Bergdahl was in the custody of one of the most violent factions of the Taliban. After his initial rebelliousness, Bergdahl started cooperating a little more, militants say. At times he was looked after by a group of English-speaking fighters, "so he does not feel bored," says the commander. He drank mineral water and boxed juices and was eventually allowed the foods of his choice, within reason. "Under the rules of *melmastia*, 'Pashtun hospitality,' he will eat the same foods his captors eat," says Jere Van Dyk, a CBS news consultant who was captured and held for 45 days in 2008 by the same group. "There will be dal, rice, and meat when they can afford it." In the right season, they might offer spinach or eggplant cooked in oil. "They will provide him with soap and toothpaste, all the amenities they can to

show that they are taking care of him. He will have a cot and a quilt."

Even though Bergdahl is the only American service member the Taliban have successfully captured, kidnapping and hostage taking have long been tactics of the militant group. Since 2001, fighters in Afghanistan and Pakistan have seized hundreds of aid workers, journalists, wealthy Pakistanis and other people the Taliban considers worthy of ransom or negotiation.

The cultural code of hospitality extended to captives appears—deliberately—evident in the first video, which became public in July 2009. While the off-camera interrogator asks questions of Bergdahl in accented but fairly fluent English, the shaved-headed soldier mops up a plate of stew with pieces of bread. He finishes his meal with a glass mug of the pale yellow tea popular among the Pashtun population.

The worst part of being a captive, say Van Dyk and British journalist Sean Langan, who was held hostage by the Haqqanis for four months in 2008, is the state of perpetual fear. "No matter how nice they are—and usually they are—you know that they could kill you at any minute," says Langan. "That can break a person over time."

In a third video, released in April 2010, Bergdahl sports a thick beard and wears an army sweatshirt that looks fresh out of the package. Bergdahl says he is being treated well and is allowed to exercise. His captors tell TIME that by that stage he had started learning basic Pashtu, "words such as *bread, water, How are you?, I am fine, Who are you?*" Bergdahl, who was raised a devout Presbyterian, even started thinking about converting to Islam, says one commander. Suspicious at first, they asked if it was out of fear or frustration that he wanted to convert. "He told us, 'Your way of life has impressed me, and I want to live like you.'"

And then, last fall, Bowe Bergdahl escaped.

Learning Pashtu in Idaho

BACK IN HAILEY, BOB BERGDahl WAS ALSO learning Pashtu. He scoured websites and militant chat rooms looking for information. He kept delivering packages for UPS, as familiar and warm a face around Hailey as ever, but getting Bowe back had become his mission in life. He read up on

the border region's history and politics and culture, information that he then used in his own video directed at Bowe's captors.

"Idaho is so much like Afghanistan," Bob Bergdahl says, speaking of the wild mountainous environment that both places share and that Bowe loved. "The similarities will help him. We hope that will be what sustains him."

Friends and neighbors in Hailey say the videos of Bowe have been both comforting and torturous to the Bergdahl family. They prove that Bowe is alive, but they are also a visceral reminder of just how far away he is. Sherry Horton, one of Bowe's closest friends, says she takes comfort in seeing Bowe's beard grow. "It's nice to look and to be able to see in the different videos the beard growth that tells you the passage of time." Bob Bergdahl has started growing his own beard in solidarity. "His faith seems to be intact," says Bergdahl of his son. "In his videos, he's mentioned his faith in God, and that means a lot to us. We think the Taliban and these Pashtun people can identify with that. And I hope they can respect him for that. I hope they continue to treat him humanely."

Hailey's support for Bowe Bergdahl has never wavered during his nearly three years in captivity. Zaney's River Street Coffee House, where he once worked as a barista, has become ground zero for the campaign to get him back. The cheerful, flower-becked clapboard building boasts signs in the window that read **STANDING WITH BOWE** and **GET BOWE BACK**. That solidarity and respect for the Bergdahls' decision to stay quiet until now partly explains why their story has remained largely out of the public eye. The Departments of State and Defense lobbied news outlets not to report that Bergdahl was the subject of negotiations with the Taliban, arguing that news stories about him might hurt his chances of being released or even imperil his life.

Behind the scenes, the Bergdahls and the government worked in tandem. "We've been in very close contact with the Bergdahls," says a senior Administration official. "I visited with them quite a lot. They're very aware of what we have been doing, and I very much have appreciated their support."

The Pentagon has been working to lo-

cate Bergdahl since he went missing. "I can assure you that we are doing everything in our power, using our intelligence resources across the government, to try to locate him," General Martin Dempsey, Chairman of the Joint Chiefs of Staff, told reporters on May 10. "If you go to the Centcom command center, there's about a 4-by-6-ft. poster of Bowe Bergdahl sitting in front of the podium to remind them, and therefore us, every day that he remains missing in action," he said. But in a region as vast and unforgiving as North Waziristan, looking for one American soldier held hostage by a group that has long experience with captives is a humbling reminder of the limits of even the world's most powerful military.

Art Keller, a former CIA officer who took part in the agency's hunt for terrorists in Pakistan, says the few CIA agents who worked in the tribal regions when he was there in 2006 could not even leave the Pakistani army bases that hosted them. "I had a local person who worked in that area who I could only communicate with via computer," he



CHRISTOPHER MORRIS/ANTHONY TARDIA



Father courage
Bob Bergdahl outside Zaney's café, the hub of support for his son in their hometown of Hailey

says. "So I couldn't even meet with them."

The Haqqanis "are so conscious of the use to which we put drones that if they're going to move anyone, they'll do it in a way that we don't pick up visual traces," Keller says. "Are they going to move [Bergdahl] with a bag over his head? Even that would raise suspicion."

Another former CIA case officer in Afghanistan and Iraq, Patrick Skinner, also doubts that either local intelligence or technology is of much help in finding Bergdahl. And if he were located, sending in a SEAL team or Special Forces to rescue him in such an environment—and in Pakistani territory—would be both practically and politically hazardous. "Outside of an incredible intelligence break, or luck," says Skinner, "the way it's going to happen is that it's going to be done through back channels where everybody involved will get something."

Talking with the Enemy

THREE DAYS AFTER HIS ESCAPE, THE HAQQANIS recaptured Bergdahl in the mountains. "It was a brief escape, and he was easily

recovered from the same area. He was not familiar with the area and route, and then the whole area was controlled by Taliban, and therefore escaping was not possible," one of the network's commanders says. The Haqqanis were angry. Bergdahl had exploited the honesty, poverty and illiteracy of the men assigned to guard him, promising them that he would take them to the U.S. if they helped him escape, the militant leader says. Bergdahl was physically punished for misguiding the fighters who had tried to escape with him, says the commander, adding that the fighters had been "paralyzed," his grim euphemism for execution.

Since his recapture, says the commander, Bergdahl no longer has the freedom to walk around and exercise that he once enjoyed. He is still properly looked after, he says, but "we don't trust him anymore and keep him in lockup most of the time."

Late last fall, the U.S. government initiated talks with the Taliban in the Persian Gulf state of Qatar in the hope of bringing an end to the war. In the course of the discussions, the Taliban told the Americans

that they wanted five senior Taliban officials released from Guantánamo, a senior Administration official says. "This wasn't a swap." Instead, they describe each step as a confidence-building measure designed to keep everyone at the negotiating table at an office in Qatar, where both sides had agreed that Taliban envoys could safely set up residence. The offer to the Taliban from the Americans, with Qatar's approval, was this: The Guantánamo detainees would be given jobs, reunited with their families and permitted to move around Qatar with some monitoring. They would not, however, be allowed to go back to Afghanistan, and they would have to complete a deradicalization program. The Americans hoped the agreement would lead to more-comprehensive talks about the role of the insurgent group in Afghanistan after most foreign troops pull out in 2014.

In January, a delegation from the Afghan Taliban approached the Haqqani network with the proposal, members of both groups say, and asked that it hand over its prisoner. The Haqqanis agreed, pledging loyalty to the mainstream Taliban group, and Bergdahl was moved across the border, back into Afghanistan. In order to prove that they were serious, the Taliban produced another, yet unseen and previously unreported video of Bergdahl, says Hekmat Karzai, director of the Afghanistan-based Centre for Conflict & Peace Studies, who has stayed abreast of the negotiations through his extensive contacts with current and former Taliban members. "It was given to the Americans to say, 'Look, this guy is alive. He is in our custody, and we are willing to talk. We are willing to potentially swap Bergdahl for those detainees.'" Administration officials refused to confirm or deny the existence of a proof-of-life video.

In early January, the Taliban for the first time publicly revealed to individual journalists that they were interested in negotiating with Washington. It was a significant departure for a group that has



The way home

Yellow ribbons reminding passersby of Bergdahl's ordeal adorn a fence just outside the American soldier's hometown

consistently refused to negotiate as long as foreign troops remained in Afghanistan.

But there was a problem. As the talks in Qatar proceeded, discussions inside the Taliban movement got heated at times, says Karzai, particularly between the older, more experienced members who were part of the Taliban government toppled in 2001 and the younger recruits who know nothing but battle. One senior commander says leaks about the talks had undermined morale. "Most of our fighters had stopped fighting, and the battlefields became a standstill due to talks with the Americans."

But by early March, it looked as though everything was set to go. Many members of the detainees' families were already in Qatar, preparing for long-anticipated reunions with fathers and husbands they hadn't seen in a decade.

And then it all fell apart.

On March 15, the Taliban suspended the talks, citing the Americans' "unacceptable" conditions. Taliban members say the U.S. tacked on a last-minute stipulation that the Taliban announce a cease-fire and lay down arms first. "We told them we are willing to announce a cease-fire, but you should start pulling out all foreign forces and tell the world that invading Afghanistan and removing the Taliban from power was your mistake, but they did not agree," a Taliban leader says. "Thus the talks failed." Not surprisingly, the U.S.

sees it differently. "The Taliban refused to agree to the terms we require for a transfer, so they walked away," the Obama Administration official says. "This proposal... is still very much on the table."

But Taliban members say the time for talking may be over. They are contending with a split in their ranks that threatens the whole idea of a peace deal with the American and Afghan governments. "Had we continued talks for a few more weeks with the U.S. in Qatar, our movement would have died a natural death," says a senior Taliban commander operating in Kandahar. "Infighting had started among various factions." While an imploding Taliban might appear to be a good thing for the American and Afghan governments, a fragmented and more radical Taliban would not be.

The commander tells *TIME* that since the talks fell apart, there has been a purge in the Taliban leadership. Younger and more violent field commanders have been promoted over the more peace-ready old guard, and a strict warning has been delivered that any Taliban caught freelance negotiating with the Afghan government or the Americans will be killed. On May 12, a Taliban splinter group assassinated Maulvi Arsalah Rahmani, a former Taliban minister and a member of the government's High Peace Council, in Kabul. In a subsequent phone call, the group's spokesman, Qari Hamza, took responsibility for the attack

and declared that its ranks were swelling with Taliban opposed to "the so-called peace talks with the U.S. We formed a separate group that comprises all those genuine Taliban fighters who shed their blood in jihad against the U.S.-led foreign forces for the liberation of Afghanistan." Just a few weeks before he died, Rahmani told *TIME* he was confident that the talks would resume shortly. "We are tired of war. The Taliban are tired of war, and the Americans are tired too. Talks are the only solution."

In spite of the hardening of the Taliban's position, the Bergdahls and the Obama Administration have not given up hope of negotiating the young Idahoan's release. Although the U.S. government believed that going public about the talks over Bergdahl would be a mistake, "You have to have great sympathy for the Bergdahls," says the senior Administration official, "and they've made their decision here."

For the Bergdahls and the Hailey community, Bowe's return would mark the end of a long journey. But for Bowe, who has been criticized by many for the circumstances surrounding his capture and his appearance in propaganda videos, it would be just the start. "He will always be separate from everyone else—not an outcast, but isolated," says Van Dyk, who is still haunted by his own experience. "And it won't be right, but he will be called a traitor. He has a long road ahead."

Back in Hailey, where yellow ribbons symbolizing solidarity with Bowe still flutter in the cool mountain breezes, Bob and Jani Bergdahl have committed now to pressing their son's case in public and will appear at a veterans' rally in Washington on May 27. That event may spark a new round of interest in the U.S.'s only missing soldier in Afghanistan, but it is unlikely that it will create enough pressure on any of the key players to bring Bowe home. The White House waits for a signal from the Taliban that talks can begin again, and the town of Hailey for news of a miraculous release. And somewhere in the mountains near the Afghanistan-Pakistan border, a young man waits to go home to his family.

—WITH REPORTING BY MICHAEL SCHERRER, JAY NEWTON-SMALL AND MARK THOMPSON/WASHINGTON, WALID FAZZI/KABUL AND ISHAAN THAROOR/NEW YORK ■

FOR MORE ON THIS CASE, GO TO time.com/bergdahl

GREAT TOOLS. GREAT ADVICE.¹

RETIREMENT PLANNING WORKS BETTER WITH BOTH.



Complimentary Guidance
& Personalized Plans



Chartered Retirement
Planning Counselors²

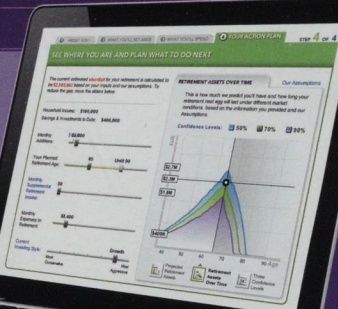
RICARDO GUTIERREZ
Financial Consultant, CRPC



Easy-to-use Retirement
Planning Calculator



Powerful Tools to Help
Diversify Effectively³



E*TRADE

1-800-ETRADE-1

Get up to \$600 when you rollover a 401(k) or IRA.⁴

ETRADE.COM

Customers who receive promotional offers from affiliates of E*TRADE Financial Corporation may be subject to IRS Form 1099-MISC reporting requirements should the total value of those items exceed \$599 in a calendar year. Please consult a tax professional.

- Investment recommendations are provided by representatives from E*TRADE Securities LLC, a broker-dealer member of FINRA.
- The Chartered Retirement Planning Counselor designation is offered by the College for Financial Planning[®]. Investment Professionals with this designation can be found in most E*TRADE branches.
- Diversification does not ensure a profit and cannot protect against losses in a declining market.
- Credits for deposits of new funds or securities from accounts outside of E*TRADE will be made as follows: deposits over \$250,000 receive \$600; deposits between \$100,000 and \$249,999 receive \$250; deposits between \$25,000 and \$99,999 receive \$100. This offer is valid only for new IRAs (limited to Rollover IRAs, Traditional IRAs, Roth IRAs), but excludes E*TRADE Securities and Bank accounts. Deposits of new funds or securities from existing E*TRADE Bank and E*TRADE Securities accounts are not eligible for this offer. New funds or securities must be deposited or transferred within 45 days of new account opening or enrollment in offer, and must be from accounts outside of E*TRADE Bank and E*TRADE Securities. One account promotion per customer. Promotion is limited to one account per User ID and is not valid with any other offers. Deposits must be made into a new IRA account to qualify for credit. E*TRADE Financial Corporation associates, and non-U.S. residents not eligible. New funds or securities must remain in the account (minus any trading losses) for a minimum of 6 months or the credit may be surrendered. The credit will be made to your account within 8 weeks of account funding. We reserve the right to terminate this offer at any time. Accounts must be enrolled by December 31, 2012, the offer expiration date.

Securities products and services are offered by E*TRADE Securities LLC, Member FINRA/SIPC.

System response and account access times may vary due to a variety of factors, including trading volumes, market conditions, system performance and other factors.

©2012 E*TRADE Financial Corporation. All rights reserved.



Bubble on the Potomac

The new affluence flooding the nation's capital sets it a world apart from the country it governs

By Andrew Ferguson



Where the grass is greener Shana Glickfield, second from right, who runs a social-media company, stands outside the Ball on the Mall, a black-tie party held to raise funds for the park

THE PASSENGER BAR, about 12 blocks from the White House, is just beginning the first seating of the night in its Columbia Room, a semisecret speakeasy behind an unmarked door in the back. Speakeasies are very fashionable in Washington at the moment—bars within bars, inner sanctums set aside for the most discriminating palates. But the Columbia Room is a particularly hot ticket. If you're lucky, you'll get a reservation a few days in advance. For \$67 a head, an expert bartender serves a three-course tasting of cocktails. He carves a thick slice of lemon rind, places his hands slightly above and 10 inches back from the cocktail glass and with a snapping motion sends a scattering of lemon drops across the icy surface of what one magazine calls "the best martini in America."

The Passenger's motto? "God save the district." The sentiment is easy to understand, for these are good times in Washington and the seven counties that surround it. Even as the nation struggles, the capital has prospered, making it a magnet for young hipsters but leaving its residents with only a tentative understanding of how the rest of the country lives. "It's nice," goes the old joke about Miami, "because it's so close to the United States." Well, Washington is very nice these days.

Every week brings fresh evidence of continuing prosperity: a new restaurant, a new nightclub, another restored 19th century townhouse in a previously dodgy neighborhood selling for \$1 million or more. Start-ups are hiring through Craigslist, and just opened lobbying firms have no trouble collaring clients. Storefronts that stood abandoned five years ago fill with pricey gourmet-food shops like Cowgirl Creamery, a cheesemonger that has opened its only store outside Northern California on F Street downtown. Its Mt. Tam cheese goes for more than \$25 per pound. It's organic.

Another Northern California import, a limousine service called Uber, launched in December after great success in San Francisco and New York City. "The growth here has been unique in our experience," says Rachel Holt, who oversees Uber's burgeoning D.C. operation. Uber is Web-based and cashless: customers call for limos with a smart-phone app and pay with a credit card on file. It's also deluxe. Riders expect nothing lower on the limo food chain than a Town Car, with offerings going up to Mercedes and beyond. Holt says with some surprise that locals are



Sweet ride Uber D.C.'s Rachel Holt in one of her company's digitally dispatched luxury sedans. Some riders use them to get groceries

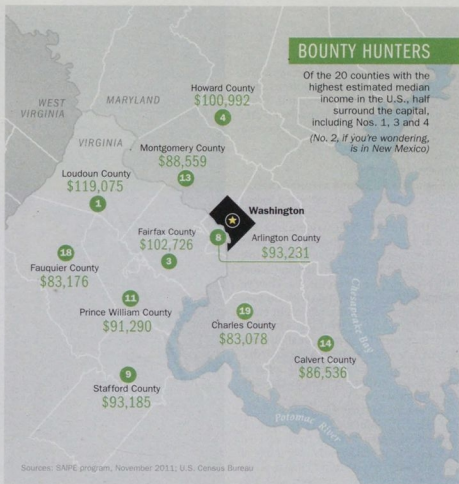
using Uber as everyday conveyance for commuting and shopping. Uber exploits Washington's unique combination of heavy use of social media, a young and often carless population and customers with fistfuls of disposable income. When the D.C. taxi commission made a move to shut down Uber earlier this year, Twitter erupted in indignation under the hashtag #Nevergoingback. Welcome to über-Washington.

The Good Life

OTHER BIG CITIES, OF COURSE, HAVE MADE it through the recession in one piece. But few eased through the crash as lightly as D.C., much less prospered so widely on the rebound. The local unemployment rate, at 5.5%, stands well below the national figure of 8.2%. The region's foreclosure rates have always been significantly lower than those elsewhere, and now housing prices in D.C. and across the river in the Virginia suburbs of Arlington and Alexandria are close to their precrash peaks. The

Association of Foreign Investors in Real Estate—in Washington, everyone has an association—ranks the region as one of the best investments in the world, right after London and New York City. The cost of office space in Washington rivals New York prices, averaging \$50 a square foot.

How's a country to make sense of a national capital whose day-to-day life is so much more upholstered than its own? Increasingly, it cannot. Recently Washington passed San Jose in Silicon Valley to become the richest metropolitan area in the U.S. Since the 1990s, says economist Stephen Fuller of George Mason University, the region has led the nation's metropolitan areas in overall employment rate. The median household income in the metro area in 2010 was \$84,523, according to calculations by Bloomberg News, nearly 70% over the national median household income of \$50,046. Nine of the 15 richest counties in the country surround Washington, including Nos. 1, 3, 4 and 5. Per capita income in D.C. is more than twice that in Maine. All this explains why Gallup's Well-Being Index rates D.C. as the most satisfied large metropolitan area in the U.S. The pollsters were especially impressed with the region's low smoking



rate (15%) and the 72% who visit the dentist annually for a checkup. Washingtonians are skinnier, exercise more, eat more vegetables and are more likely to have health insurance than the average American. They're also more optimistic—about the economy and about the future in general.

The riches reflect a regional economy as resilient—and as strange—as any in the world. “We don’t make anything here,” Fuller says simply. Washington is one of the few metropolitan areas in the country that have no significant manufacturing sector, placing it alongside Atlantic City, N.J.; Myrtle Beach, S.C.; Cape Cod, Massachusetts; and Ocean City, N.J. “There isn’t any single major industry,” says Jim Dinigar, president of the Greater Washington Board of Trade. “We’re just very diverse.”

The District of Contracting

YET THE DIVERSITY OF THE WASHINGTON economy is an illusion, for each of its business sectors is to some degree a creature of the region’s single great industry—the federal government. According to a 2007 report by the Tax Foundation, for every dollar in taxes Washington sends to the federal government, it receives five in

return. Fuller says that over the past 30 years, the federal government has spent \$860 billion in the D.C. region, two-thirds of that since 9/11.

Why the boom? The size of the non-military, nonpostal federal workforce has stayed relatively stable since the 1960s. What has changed is not the government payroll but the number of government contractors. It’s estimated that, thanks to massive outsourcing over the past 20 years by the Clinton and Bush administrations, there are two government contractors for every worker directly employed by the government. Federal contracting is the region’s great growth industry. A government contractor can even hire contractors for help in getting more government contracts. You could call those guys government-contract contractors.

Which means government hasn’t shrunk; it’s just changed clothes (and pretty nice clothes they are). The contractors are famous for secrecy; many have job titles that are designed to bewilder. What is it, after all, that an analyst, a facilitator, a consultant, an adviser, a strategist actually does to earn his or her paycheck? Champions of the capital’s Shangri-la economy like to

brag of Washington’s knowledge workers.

Peter Corbett isn’t so sure about the wisdom of D.C.’s version of the knowledge economy. Corbett heads a social-media marketing company, with corporate clients that have famous names. Most of his work involves nonprofit foundations that have flocked to Washington to be close to the fount of grants and tax breaks. He did a single project for the federal government and then swore it off for good. He describes his first meeting at the Pentagon. “There are 12 people sitting around the table,” he says. “I didn’t know eight of them. I said, ‘Who are you?’ They say, ‘I’m with Booz Allen.’ ‘I’m with Lockheed.’ ‘I’m with CACI.’ But why are you here?” “We’re consultants on your project,” I said. “You are?” They were charging the government \$300 an hour, and I had no idea what they were doing, and neither did they. They were just there. So I just ignored them and did my project with my own people.”

Aside from its wealth, the single defining feature of über-Washington is its youth. Most of the people who have moved to Washington since 2006 have been under 35; the region has the highest percentage of 25-to-34-year-olds in the U.S. “We’re a

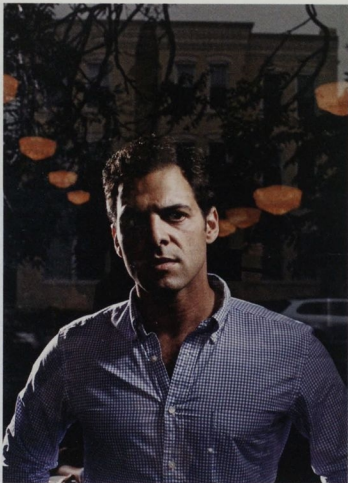
mecca for young people," Fuller says. One recent arrival says word has gotten out to new graduates that Washington is where the work is. "It's a place where a liberal-arts major can still get a job," she says, "because you don't need a particular skill."

The Conveyor Belt

THE YOUNG FILL ENTIRE NEIGHBORHOODS with an undergraduate air. On a warm night in Clarendon in northern Virginia or in the H Street NE corridor, with the crowded sidewalks and lines outside the door-to-door bars, you might think you've landed on fraternity row in Chapel Hill, N.C., or Charlottesville, Va. They've brought the college lifestyle with them—group houses, hookups, late-night cram sessions and lots of drinking. The local drugstores seem to devote more shelf space to condoms and pregnancy tests than diapers and formula. (Another big seller at pharmacies: Pedialyte, used as the ultimate hangover cure.)

No one doubts that the kids are changing the city. When Shana Glickfield, founder of a social-media firm, arrived in Washington in the early 2000s, one of her ears was triple-pierced. "I had to go up on [Capitol] Hill, and everybody said, 'You can't do that, not if you're going to the Hill!'" she says. "Now I see Hill staffers with nose rings." The 20-somethings have helped Washington shed its image as an uptight, work-first, party-later town. "Happy hour is the most important hour of the day," says Emily Schultheis, a Web editor and recent arrival. "It's how you meet people, how you get jobs, how you find roommates, how you get tips for stories and how you get in trouble." Hill staffers devote Thursday nights to "wheels up" parties. "Congress goes out of session on Thursdays," says Abra Belke, a lobbyist and blogger who calls herself Belle and writes the popular blog Capitol Hill Style. "Most of the bosses go home for the weekend. So you put your boss on the plane, wheels up, and then—freedom!"

Über-Washington has its own career pattern that is becoming as routinized as that of a 1950s organization man. A student graduate and goes to Washington for an internship, usually unpaid, which qualifies her for another internship, perhaps paid, until an entry-level job is offered, as it almost always will be. "Then you work for a few years," Glickfield explains, "and then you go off and get the next degree, law or business, and then you come back for a better job." Colleges and universities



Up and coming
Local activist
Danny Harris lives
in a gentrifying
neighborhood. He's
troubled by the
civic detachment
he sees in his fellow
professionals

have figured this out and moved quickly to get a place on the conveyor belt. Big state schools and smaller liberal-arts colleges occupy office buildings in the city, where they run sophisticated internship programs designed to place their graduates (and soon-to-be graduates) in one of the country's few hot job markets.

As national politics makes it impossible to expand government explicitly, these interns—often underpaid, usually overworked and frequently subsidized by their parents—have become vital to keeping government going. At the same time, they contribute to a feature of über-Washington that too often goes unremarked: the capital has one of the most lopsided distributions of wealth of any major metropolitan area in the U.S. Along with a higher per capita income than any state and one of the nation's lowest rates of unemployment, Washington has a poverty rate of nearly 20%, above the national average of 15%; a public-school system that is often called the worst in the nation; and a crime rate that remains higher than in any other rich community. In the district, whites enjoy a per capita income nearly

three times that of African Americans.

You can often see the maldistribution of Washington's riches block by block—even on the same block, row house by row house—as young, well-to-do high achievers move into neighborhoods that real estate agents label hot, buying up properties, planting flower boxes and tending little squares of lawn behind wrought-iron fences, next to an abandoned building or a vacant lot or a home where a fatherless family is just scraping by. Most über-Washingtonians say they like the urban grit. The crime and decay amid the plenty, says local activist Danny Harris, "are the price you pay if you want to live in an urban environment." The disequilibrium especially bothers Harris, he says, when it signals a civic detachment among his fellow young strivers. "You can have people who know every nuance of our policy toward Burma," he says, "but they don't know the name of the public school down the block."

Greener than Thou

SOCIALLY AND CULTURALLY, LIFE IN ÜBER-WASHINGTON can seem as insular as its economy, and the insularity has



Sometimes circles just make sense.

The Get Around Knee system is designed to replace the knee's naturally circular motion. Other knee systems follow an oval motion. Don't just replace your knee. Replace the way your knee moves.

To learn more or to find an orthopaedic surgeon near you, visit getaroundknee.com or call 1-888-Get-Around.

Get **Around**Knee[®] | stryker

Total knee replacement is intended for use in individuals with joint disease resulting from degenerative, rheumatoid, and post-traumatic arthritis, and for moderate deformity of the knee.

As with any surgery, knee replacement surgery has serious risks which include, but are not limited to, blood clots, stroke, heart attack, and death. Implant related risks which may lead to a revision include dislocation, loosening, fracture, nerve damage, heterotopic bone formation (abnormal bone growth in tissue), wear of the implant, metal sensitivity, soft tissue imbalance, osteolysis (localized progressive bone loss), and reaction to particle debris.

The information presented is for educational purposes only. Knee implants may not provide the same feel or performance characteristics experienced with a normal healthy joint.

Speak to your doctor to decide if joint replacement surgery is appropriate for you. Individual results vary and not all patients will return to the same activity level. The lifetime of any device is limited and depends on several factors like weight and activity level. Your doctor will help counsel you about strategies to potentially prolong the lifetime of the device, including avoiding high-impact activities, such as running, as well as maintaining a healthy weight. Ask your doctor if the GetAroundKnee is right for you.

Stryker Corporation or its divisions or other corporate affiliated entities own, use or have applied for the following trademarks or service marks: GetAroundKnee, Stryker. All other trademarks are trademarks of their respective owners or holders.

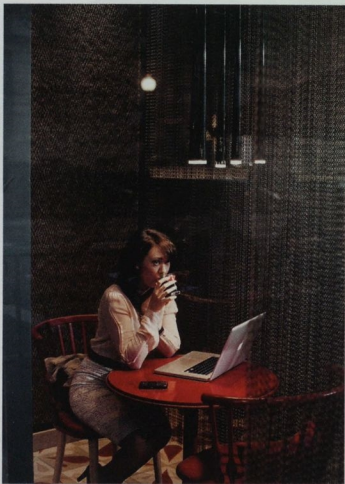
Socially and culturally, life in über-Washington can seem as insular as its economy, and the insularity has consequences for the rest of the country.

consequences for the rest of the country. Über-Washingtonians, for instance, are intensely concerned about the environment. The local economy bristles with company names like GreenBrilliance and SkyBuilt Power. But the unreal character of that economy makes it easy for Washingtonians to overestimate the ability or the desire of their fellow Americans to live as they do. In über-Washington, the private automobile is looked on as at best a necessary nuisance and at worst a morally suspect source of sprawl and climate change. Many Washingtonians are eager to tell you they don't own one, preferring a highly subsidized commute on the Metro system's carpeted (if often unreliable) subway cars. Even Uber, the limo service, has been hailed on blogs as a green innovation, notwithstanding its emanations of conspicuous consumption. Bike-share racks have sprung up downtown and in the close-in suburbs to take advantage of the newly painted bike lanes that have squeezed grand thoroughfares like 14th Street down to two lanes. Local authorities have reserved hundreds of parking spaces exclusively for Zipcars, which customers rent for an hour or a day in place of buying a car of their own. The Zipcar motto: "Cars with a conscience."

No doubt the conscience thrives as much in Youngstown, Ohio, as it does in Washington, but you don't see many locals there trading their minivans for Zipcars or rent-a-bikes. Fracking for natural gas is regulated from Washington, where it is viewed with suspicion; in Pennsylvania and North Dakota, it is a source of potential riches and a better life. The sight of an oil platform may lift the heart of a worker struggling on the Gulf Coast; über-Washingtonians have a different

Moonlighting

A lobbyist by day, Abra Belke writes the Capitol Hill Style blog by night. A city teeming with young people now networks during happy hour



impression. In D.C., if in few other places, half a billion dollars lost to a solar company like Solyndra can seem to be the price of being conscientious. At the same time, life in Washington is so comfortable that it is easy for those living there to imagine that the rest of the country is doing just fine too. Aren't restaurants in your hometown packed at 10 p.m. on a Monday? No? Really?

No End in Sight

HOW LONG CAN SUCH A CULTURE OF COM-
placency last, even one as heavily subsidized by a country as rich as the U.S., in the face of awesome government debt?

It is a soft spring evening. The office buildings downtown are emptying out, and the bars are filling up for happy hour. Uber cars are out in force, Town Cars and Benzes rolling down 14th, up Ninth, under the overspreading oaks of Logan Circle and back down Vermont, past the Churchkey, where 555 kinds of beer are on offer. Its list gives each beer's alcohol content and country of origin, the hops used to brew it and the temperature at which it will be served. The menu offers nibbles from the other America, served with the requisite irony:

disco fries, a staple of the Jersey Shore, and a deep-fried macaroni-and-cheese stick familiar to fans of Midwestern state fairs. There's also pricey charcuterie for those who don't get the joke. Seven blocks east and a few blocks south, at the edge of the Penn Quarter neighborhood, six diners take their places at Minibar. In a city quickly becoming famous for tony restaurants, they are the luckiest feeders of the night: Minibar takes reservations a minimum of a month in advance for six seats from supplicants who must call precisely at 10 a.m., usually for several days in a row, sometimes for weeks. The meal they savor has 25 to 30 courses. The cost: \$150.

The optimism of über-Washingtonians so far survives the unspoken worry about a coming age of austerity, in which government spending cuts would end the high life that Washingtonians have come to expect. They are right to be optimistic. The two most plausible deficit-reduction proposals—one by President Obama, the other by the Republican-controlled House Budget Committee—each calls for the government in 2021 to spend a trillion dollars more than it spends today. ■

HELP SAVE THE DIVE MASK

The coral reefs where we dive need help. Overfishing, careless tourism and climate change are putting reefs and people's livelihoods at risk. From the Coral Triangle to the coastlines of Africa and Australia's Great Barrier Reef, WWF is promoting responsible tourism and pushing for protected areas and responsible fishing. Help us look after the world where you live at panda.org/50



50 YEARS
OF CONSERVATION

Tubbataha Reefs Natural Park, Palawan, Philippines.

© Jürgen Freund / WWF-Canon



BOSE
Better sound through research

Better sound. Whenever. Wherever.

Bose OE2
audio headphones

Life keeps moving. And your mobile devices go where you go. So bring more enjoyment to your mobile world with Bose sound. You'll hear it in our Bose OE2 audio headphones. They feature a contoured shape and an advanced acoustic design that brings out the depth and clarity of your music, while a slim headband and memory foam ear cushions offer a comfortable on-ear fit. And when you're done listening, they fold up easily, so you can take them with you. Choose either black or white, and discover the new look of mobile sound.

Bose.com/mobileOE 1-800-905-0238

©2012 Bose Corporation



Cool Treats
for a Hot
Season!

The Culture

Movies Books Art Television Music

Illustration by ilovedust for TIME

Movies

Summer Preview



Snow White and the Huntsman



Hope Springs



The Amazing Spider-Man



Prometheus



Lola Versus



To Rome with Love

Sleepers, Superheroes and Meryl Streep Too

The cinema short list

Snow White and the Huntsman

Charlize Theron is the wicked queen and Kristen Stewart the virgin princess; the huntsman charged with killing Snow White is Chris Hemsworth, a.k.a. Thor of *The Avengers*. How about seven other Marvel-comics characters playing the dwarfs? The Incredible Hulk as Grumpy? (6/1)

Prometheus

Yeah, but what happened before the monster got on the spaceship? *Prometheus* seems less a prequel to the 1979 *Alien* than a predecessor, involving a star map that may help locate the origins of humankind. Ridley Scott returns to the

helm with a stellar cast: Noomi Rapace as a proto-Ripley, Charlize Theron as a corporate type with a secret agenda and Michael Fassbender as an android striving to be human. (6/8)

Dark Horse

In Todd Solondz's kinda-comedy, 35-year-old Abe (Jordan Gelber) is a seriously—and hilariously—arrested adolescent, a pain to his parents (Mia Farrow and Christopher Walken) and a possible mate for depressive Miranda (Selma Blair). Existing both in the real world of suburban New York and the dream world of Abe's longings, *Dark Horse* is Solondz's most endearing film, his gentlest triumph. (6/8)

Lola Versus

Who would be dumb enough to dump a girl who looks like Greta Gerwig? Ditched days before her wedding, Gerwig's Lola seeks help from a best friend (co-writer Zoe Lister-Jones) who recommends new boyfriends—lots of them—as the cure. (6/8)

Rock of Ages

Tom Cruise goes full '80s rock star: cockiness, bare chest, feathers. Of course he does his own vocals.

Seeking vengeance!



With Alec Baldwin as a club owner and Catherine Zeta-Jones representing the Moral Majority. (6/15)

Your Sister's Sister

Here's a movie with so much indie cred, it could sweep the Gotham Film Awards sight unseen. Lynn Shelton, who directed the mumblecore comedy *Humpday*, is behind the camera; in front is Mark Duplass, who starred in *Humpday* and, with his brother Jay, directed *Baghead*, *Cyrus* and *Jeff, Who Lives at Home*. Duplass, Emily Blunt and Rachel Getting Married's Rosemarie DeWitt are the tangled trio in this observational drama. (6/15)

Abraham Lincoln: Vampire Hunter

Seth Grahame-Smith's mashup novel (he also wrote *Pride and Prejudice and Zombies*) is American history as horror fantasy: young Lincoln pursues the creatures who killed

his mother. Timur Bekmambetov, who directed the zippy-bloody *Wanted*, brings the book to the screen. (6/22)

Brave

Pixar's first female-centered feature is a tale of a princess-archer on a quest to save her kingdom. After the disappointment of last summer's *Cars 2*, John Lasseter's gang must be hoping that the reception to *Brave* will be "Brava!" (6/22)

Seeking a Friend for the End of the World

Doesn't the sadness in Steve Carell's smile seem to anticipate his own private doomsday? In this comedy, the rest of the world gets that end-of-days feeling as an asteroid hurtles toward Earth. Keira Knightley is Carell's last-chance love in the directorial debut of Lorene Scafaria, who wrote the sweet teen comedy *Nick and Norah's Infinite Playlist*. (6/22)



To Rome with Love
Woody Allen's latest stop on his Euro-tour—from Britain (*Match Point*) to Spain (*Vicky Cristina Barcelona*) to France (*Midnight in Paris*)—lands him in the Eternal City for a tribute to the Italian movies he loved in his youth. The cast includes Roberto Benigni, Penélope Cruz, Alec Baldwin, Jesse Eisenberg, Greta Gerwig—and Allen himself in his first screen role in six years. (6/22)

Beasts of the Southern Wild
“The whole universe depends on everything fitting together just right,” says 6-year-old Hushpuppy (Quvenzhané Wallis). “If one piece busts, even the smallest piece, the entire universe will get busted.” Benh Zeitlin’s debut feature, set among poor blacks in rural Louisiana, brought the rapture on Sundance viewers, stoking comparisons with the films of Terrence Malick

and earning raves for its elfin star. Fingers crossed, the movie busts out. (6/27)

G.I. Joe: Retaliation
Dwayne Johnson and Channing Tatum bench-press villains together. (6/29)

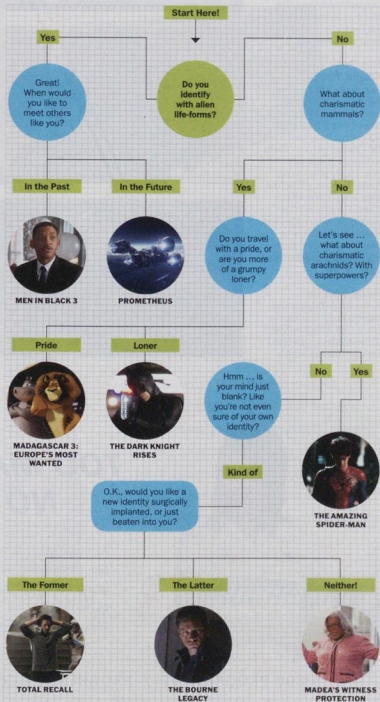
The Amazing Spider-Man
He seemed pretty swell the last few times we saw him not so long ago, but Peter Parker (Andrew Garfield) is getting another makeover. He’s younger, still in high school, has a different love interest (Emma Stone) and a whole new batch of enemies, including Rhys Ifans as the Lizard. Next up: Spidey in middle school. (7/3)

Savages
Oliver Stone’s action thriller, based on Don Winslow’s 2010 novel, is front-loaded for box-office success with sex, drugs, guns and the

CONTINUED ON PAGE 58

Which Sequel or Reboot Are You?

Take TIME’s summer blockbuster personality test to find out



prettiest cast of the summer: Blake Lively, Aaron Johnson, Taylor Kitsch and Salma Hayek. (7/6)

Ted

Family Guy creator Seth MacFarlane tries the big screen with this tale of a grown man (Mark Wahlberg) and his best friend, an adorable, sailor-tongued teddy bear. The plot may seem dubious, but the trailer instantly went viral. (7/13)

The Dark Knight Rises

Bale meets Bane. In the third episode of Christopher Nolan's Batman reboot, the Dark Knight (Christian Bale) confronts DC Comics' primo villain. Art-house tough guy Tom Hardy plays Bane; Anne Hathaway is Selina Kyle, a.k.a. Catwoman. The real battle is at the box office, where *The Dark Knight Rises* will try to beat *The Avengers*' \$207 million opening-weekend gross. (7/20)

Ruby Sparks

In Jonathan Dayton and Valerie Faris' first movie since *Little Miss Sunshine*, a disheveled novelist (Paul Dano) comes up with a



Celeste and Jesse Forever



The Dark Knight Rises



The Campaign

protagonist, Ruby, who is quirky, fun and suddenly living in his house. Zoe Kazan, who plays Ruby, also wrote the screenplay. (7/25)

The Bourne Legacy

Jeremy Renner isn't exactly replacing Matt Damon's Bourne in this reboot: he's just playing another poor, screwed-up victim of a government program to engineer really hot lethal agents. Intense secrecy surrounds the plot, but we do know that Rachel Weisz co-stars. (8/3)

Total Recall

Showing up in a remake of an Arnold Schwarzenegger science-fiction film is not what we'd expect these days from Colin Farrell, who has spent recent years doing top-notch supporting work in smaller movies (*In Bruges*, *Crazy Heart*). Directed by Len Wiseman and co-starring Kate Beckinsale in her element: tight clothes, tough talk and advanced weaponry. (8/3)

Celeste and Jesse Forever

Celeste (Rashida Jones) and Jesse (Andy Samberg)

try to stay friends after splitting up, despite new love interests and persistent sexual chemistry. There's a bond behind the scenes too: Jones co-wrote the screenplay specifically for her buddy Samberg. (8/3)

Hope Springs

No explosions! No threat to humanity! And no superheroes, unless you count Meryl Streep. She reteams with *The Devil Wears Prada* director David Frankel for a comedy about mild-mannered Kay (Streep) and buttoned-up Arnold (Tommy Lee Jones), who try to recharge their 30-year marriage via couples counseling with therapist Steve Carell. (8/10)

The Campaign

A Republican challenger (Zach Galifianakis) vies for a North Carolina congressional seat after a sex scandal mars the chances of the incumbent Democrat (Will Ferrell). The improv brilliance of the two leads and the echoes of political scandals past (Sanford, Weiner, Edwards...) bode well, as do the ingenious trailers. (8/10)

TOO MANY DISCOUNTS? NO SUCH THING.



AT PROGRESSIVE, WE'VE GOT TONS OF WAYS TO HELP YOU SAVE.

Like our great discounts for being a safe driver, paying in full or just going paperless! And don't forget the average savings of \$475 our customers get by switching to Progressive for their car insurance. Giving you the discounts you deserve. Now that's Progressive.

1-800-PROGRESSIVE / PROGRESSIVE.COM

PROGRESSIVE

LET'S GROW OLD TOGETHER.



WE VALUE YOUR LOYALTY NO MATTER HOW LONG YOU'VE BEEN A CUSTOMER. Becoming a customer means you're automatically enrolled in our free loyalty program. By sticking with us, you'll continue earning bigger discounts and great benefits, like accident forgiveness. Rewarding loyalty. Now that's Progressive.

1-800-PROGRESSIVE / PROGRESSIVE.COM

PROGRESSIVE

Scan to start a quote



Progressive Casualty Ins. Co. and its affiliates, Mayfield Village, OH. Auto insurance prices and products are different when purchased directly from Progressive or through independent agents/brokers. Not available in all states and situations. Loyalty benefits may change and cumulative benefits are limited. 11D00067.T (04/12)

Books

Summer Preview

The Connections. The season's literary links

THIS SUMMER THE BIG LITERARY NAMES—YOUR Kings, your Grishams, your Meyers—will mostly be silent. It's a good opportunity to get to know a crop of lesser-known but exceptionally smart and interesting writers that includes Gillian Flynn and Alan Furst, Tana French and Maria Semple. In case you're not already familiar with them, we've helpfully diagrammed their areas of overlap.

Broken Harbor by Tana French

Mick "Scorcher" Kennedy is the big man on the Dublin-police murder squad. And he's got a big case: a father and two kids dead in a seaside town and the mother clinging to life. It's a mess, and he's here to clean it up—except it just gets messier. The clues don't add up, and Kennedy's life isn't as neat as it looks either. He's spent some time in that seaside town, and he's done his best to forget all about it. (7/24)

Unsolved Mysteries

Where'd You Go, Bernadette? by Maria Semple

The heroine of this cracklingly smart family dramedy is Bernadette, a woman with a secret glamorous past who's starting to lose her mind after 20 years as a Seattle housewife. Meanwhile her precocious daughter is planning a family trip to Antarctica, and her computer-genius husband never comes home from his job at Microsoft. Something has to give. And it does. (8/14)

Noir

Mission to Paris by Alan Furst

Europe in 1938 was crawling with dread at the chaos that was about to engulf it. But don't blame Fredric Stahl. He's just your average movie idol, in Paris to make a film for Paramount. But the Reich wants to co-opt Stahl to use his celebrity for its political ends. When he resists, he's swept into the dazzling world of international espionage, where unlike in the movies, the guns shoot real bullets. (6/12)

We'll Always Have Paris

Dearie: The Remarkable Life of Julia Child by Bob Spitz

Child changed the way America cooks and eats, but first she had to change herself. Smart and imposingly tall, she moved to Paris with her husband when she was in her 30s, and only then did she discover her passion for French food. She enrolled in the Cordon Bleu, and the rest is history. Or in this case, a biography, one that may well be definitive. (8/7)

You'll Never Know, Book Three: Soldier's Heart by C. Tyler

Tyler's father served in World War II, but, she writes, "you would never know by looking at him." Over three volumes of comic-book memoir, Tyler has told her father's war story, bringing his buried memories back to life in pen and ink and watercolor while exploring how those experiences affected her and her daughter in turn. (7/17)

Secret Histories



Cheating

Mrs. Robinson's Disgrace
by Kate Summerscale

Divorce first became a legal option for ordinary citizens in England in 1857, and one of the very first cases was that of Henry and Isabella Robinson. He was a well-off industrialist, she a **lonely woman trapped in a loveless union who fell for a married doctor**. She wrote of her feelings in a passionate, explicit diary that became the centerpiece of a scandalous, groundbreaking trial. (6/19)



NONFICTION



NONFICTION

The Honest Truth About Dishonesty
by Dan Ariely

In *Predictably Irrational*, Duke economist Ariely clued us in that **our behavior is way less logical than we think it is**. Now he walks us through the valley of our own dishonesty, demonstrating that while we love to watch athletes and celebrities and bankers go down for cheating, when given the chance, **we very often cheat ourselves**—but not for the reasons we think. (6/5)

Missing Persons

Gone Girl
by Gillian Flynn

A portrait of a marriage so hilariously terrifying, it will make you have a good hard think about who the person on the other side of the bed really is. This novel is **so bogglingly twisty**, we can give you only the initial premise: on their fifth anniversary, Nick Dunne's beloved wife Amy disappears, and **all signs point to very foul play indeed**. Nick has to clear his name before the police finger him for Amy's murder. (6/5)

Lies and More Lies



FICTION



FICTION

Indomitable Women

The Next Best Thing
by Jennifer Weiner

Weiner is coming off a year in Hollywood (she made the sitcom *State of Georgia*), and she puts the experience to excellent use in this utterly engaging story of a show runner who, after six years of slogging, **finally gets a series on the air**, only to discover that **her troubles are only beginning**—meddling studio execs, egomaniacal actors (where does she get this stuff?) and one crushable but unobtainable boss. (7/3)



FICTION

Gold
by Chris Cleave

Following up the stupendous success of *Little Bee*, Cleave gives us the story of Kate and Zoe, friends and rivals.

The gold in question is Olympic: Kate and Zoe are professional cyclists gearing up for the 2012 Games in London. They're both 32, but otherwise they're a study in contrasts. Kate has more talent—and a **daughter battling leukemia**—while Zoe's obsessive drive to win cuts her off from everyone around her. (7/3)

People on TV

Art

Summer Preview

American Beauties

The most exciting art shows from coast to coast



Lucian Freud: Portraits
Modern Art Museum of Fort Worth

By the last half of the 20th century, portraiture was supposed to be a dying art form. Good thing the great British artist Lucian Freud, who died last year at age 88, never got the news. His profound inspection of the human face and form, from his finely delineated early work to the magma flows of pigment that marked his mature style, was never less than thrilling. (7/1–10/28)



Dario Robleto's *The Melancholic Refuses to Surrender*, made from, among other things, men's broken hand bones

More Real? Art in the Age of Truthiness

Site, Santa Fe, N.M.

Just the thing for a summer of endless political campaigning: a survey of painting, photography, video and installation art, from a global selection of artists, that plays with half-truths, illusions and deceptive realities. You won't believe your eyes. And really, you shouldn't. (7/7–January 2013)

Skyscraper: Art and Architecture Against Gravity

Museum of Contemporary Art, Chicago

In the town that invented the skyscraper, this show looks at how the tall building—its forms, its romance, its sheer in-human immensity—has infiltrated the work of artists who dream big. Or at least dream about bigness. The marquee names include Andy Warhol, Claes Oldenburg and Gabriel Orozco. (6/30–9/23)



Made in L.A. 2012
Hammer Museum and other venues
The city's first biennial, with work by 60 artists



Os Gêmeos

Institute of Contemporary Art, Boston

Otávio and Gustavo Pandolfo, the Brazilian brothers called Os Gêmeos (the Twins), are two of the best-known street artists to make the transition from city blocks to gallery walls—inside and out. For this show, their first solo exhibition in the U.S., they'll make a site-specific work on the museum's exterior. They mix music, pop imagery, the mad bustle of daily life in São Paulo and Brazilian folk culture into big, dazzling fever dreams. (8/1–11/25)



George Bellows
National Gallery of Art, Washington

Just 42 when he died in 1925, George Bellows was one of the first great painters of city life in America. This large retrospective also includes his seascapes, sunlit sporting scenes and portraits. (6/10–10/8)

Gauguin, Cézanne, Matisse: Visions of Arcadia

Philadelphia Museum of Art

To examine how the ancient dream of paradise entered the modern imagination, the Philadelphia Museum brings together three great epic-scale paintings, Paul Gauguin's *Where Do We Come From? What Are We? Where Are We Going?*, Paul Cézanne's *The Large Bathers* and Henri Matisse's *Bathers by a River* (below). Art-historical mashups don't get much better than this. (6/20–9/3)



"FRANKLIN TEMPLETON TAKES THE 10-YEAR CROWN"

—Barron's Magazine

BARRON'S

TOP-RANKED
FUND FAMILY

10-year performance

#1 RANKED FUND FAMILY: 2011, 2009, 2008

We're pleased to be ranked #1 for 10-year total return performance by the Barron's 2011 Fund Families Report – a recognition we've received three out of the last four years.

This ranking reflects our unwavering focus on investment excellence through all market cycles, and our commitment to managing investment risk as vigilantly as we seek reward. For more than 60 years, we've maintained a consistent, disciplined investment approach – adhering strictly to the belief that our shareholders come first.



FRANKLIN TEMPLETON
INVESTMENTS

To learn more, call 1-800-FRANKLIN or visit franklintempleton.com/barrons.

< GAIN FROM OUR PERSPECTIVE* >

For the 1-, 5- and 10-year periods ended December 31, Franklin Templeton ranked as follows, respectively: 2011: 30 out of 58, 9 out of 53 and 1 out of 45; 2010: 37 out of 57, 8 out of 53 and 2 out of 46; 2009: 17 out of 61, 5 out of 54 and 1 out of 48; 2008: 26 out of 59, 16 out of 53 and 1 out of 48. Past performance does not guarantee future results.

All investments involve risk, including the possible loss of principal. You should carefully consider a fund's investment goals, risks, charges and expenses before investing. You'll find this and other information in the fund's summary prospectus and/or prospectus, which you can obtain from your financial advisor. Please read a prospectus carefully before investing.

Source: Barron's 02/06/2012. To qualify for the Lipper/Barron's Fund Survey, a group must have at least three funds in Lipper's general U.S.-stock category, one in world equity, which combines global and international funds; one mixed equity fund, which holds stocks and bonds; two taxable-bond funds and one tax-exempt fund. Fund loads and 12b-1 fees aren't included in the calculation of returns because the aim is to measure the manager's skill. Each fund's return is measured against all funds in its Lipper category, resulting in a percentile ranking which was then weighted by asset size relative to the fund family's other assets in its general classification. Finally, the score is multiplied by the general classification weightings as determined by the entire Lipper universe of funds.

Barron's is a trademark of Dow Jones, L.P. All rights reserved.

Franklin Templeton Distributors, Inc., One Franklin Parkway, San Mateo, CA 94403 © 2012 Franklin Templeton Investments. All rights reserved.

Television

Summer Preview



The Cure for Reruns Debuts aren't just for fall

Dallas

Who revived J.R.? We've seen TV remakes (*Charlie's Angels*) and reimaginings (*Battlestar Galactica*), but this is more like a restoration of the classic oil-family soap. Many of the same actors and characters return—including J.R. (Larry Hagman), Bobby (Patrick Duffy) and Sue Ellen (Linda Gray)—but the new *Dallas* also introduces a younger generation of lusty, conniving Ewings and their companions, looking to build their own fortunes on Southfork. Their challenge is the same as the series': to strike black gold twice in the same place. (CBS, premieres 6/13)

The Newsroom

Since his TV hit *The West Wing*, Aaron Sorkin has written movies about media (*The Social Network*) and the great American game (*Moneyball*). Now he's behind a drama about cable news, where media becomes a game. *The Newsroom*, about a veteran cable anchor (Jeff Daniels) who goes rogue and reinvents his career, has the potential to be Sorkin at his best (fast-paced environment, workaholic wonks) or worst (abundant opportunities for preachy monologues and author-surrogate soapbox-ing). Either way, expect it to make headlines. (HBO, 6/24)

Anger Management

Yes, Charlie Sheen has drug issues, domestic-violence issues and telling-off-producers-before-having-a-national-media-meltdown issues. But proving that Hollywood believes in forgiveness and redemption—with forgiveness and redemption equaling "bragging in ratings while hopelessly not getting arrested again"—Sheen has a new sitcom gig. In *Anger Management* (based on the 2003 movie) he plays a therapist

who helps clients despite, or with the benefit of, his own past rage problems. Say what you want about Sheen, the man does live his work. (FX, 6/28)

Political Animals

Elaine Barrish (Sigourney Weaver) is not Hillary Clinton. She's... well, taller. Formerly married to a philandering President, Barrish is a Secretary of State appointed by the current President (Adrian Pasdar), who defeated her in the primaries, and finds herself dealing with conflicts outside and within the Administration. (See? Not familiar at all!) With Clinton riding a wave of Internet-meme popularity, the makers of *Political Animals* probably don't mind any comparisons. Let's just hope Weaver looks as good in sunglasses. (USA, 7/15)

Copper

The first original series from BBC America is possibly one of the most unusual projects airing this summer. Yes, *Copper* is a cop show, but it's a cop show set in grimy 1860s New York City in the aftermath of the Civil War. This piece of Americana comes to us from the writer-director team of Tom Fontana and Barry Levinson, who surveyed crime of a different era in Baltimore on NBC's *Homicide: Life on the Street*. Here, Kevin Corcoran (Tom Weston-Jones) investigates crime in the rough Five Points neighborhood with the help of a war buddy and an African-American physician. Is it *Deadwood* with taller buildings? *Gangs of New York* with a badge? For now we'll just call it *NYPD Sepia*. (BBC America, 8/19)



Still Employable!

Creative Accounting
Doing the math on the season's new shows



HOMICIDE

+



GANGS OF NEW YORK

=



COPPER



DALLAS

+



LACK OF A BETTER IDEA

=



DALLAS

FOR MORE OF
WHAT'S AHEAD
THIS SUMMER,
GO TO time.com/entertainment



The Newsroom



The Summer Olympics



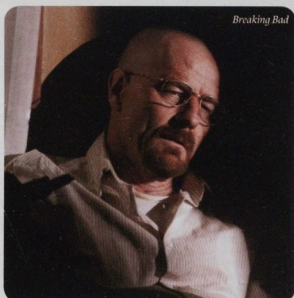
Damages



Party Conventions



Louie



Breaking Bad

The Perennials Comebacks to look for

Awkward.

One of the sleeper surprises of last summer, this high school comedy proved that MTV's relevance doesn't have to hinge entirely on teen moms or beach-house meatheads. Channeling '90s-classic *Daria* with a dash of *Mean Girls*, the show follows Jenna (Ashley Rickards), a sharp, sarcastic teen whose life is complicated by two potential boyfriends and a mother who's more of a child than Jenna is. Like the best teen comedies, *Awkward* shows the real people behind the yearbook archetypes. (MTV, returns 6/28)

Louie

It's tough to make predictions about the third season

of Louis CK's comedy because its first two seasons were so unpredictable. Any given half-hour—short more like a low-budget indie short film than a sitcom—could be about parenting, God, the comedy business, unrequited love, death, the New York City subway or masturbation. What united each episode was the comedian's nuanced, rawly funny insight into what it means to be human and flawed. (FX, 6/28)

Breaking Bad

"I won," said Walter White (Bryan Cranston) at the end of Season 4, after he killed his drug-lord boss/nemesis, completing his rise from chemistry teacher to crystal-

meth kingpin. But what has he lost? *Breaking Bad*, returning for its final season, is a thriller about the capacity for evil. White rationalized his turn to drugmaking after a cancer diagnosis as a means of providing for his family. With White cancer-free and victorious, the show's final question may be whether he can break good again or if he is simply broken. (AMC, July)

Damages

Like Patty Hewes (Glenn Close), this drama about the dark side of the law has proved hard to take down. After a highly praised, low-rated run on FX, it launches its fifth and final season on DirecTV, promising a showdown between sharky litigator Hewes and her protégé turned enemy Ellen Parsons (Rose Byrne). How will the show resolve

their conflict between expediency and morality? Expect *Damages*, like its antihero, to do whatever it takes. (DirecTV, 7/11)

The Summer Olympics

The showmanship bar for this Olympics is high: Beijing began its 2008 Games with an astonishing opening ceremony that included 2,008 drummers pounding in unison. London? Well, it's got Pippa. But the most exciting part of this TV-sports spectacle may not be on TV at all: NBC will be streaming all 32 sports live at nbcolympics.com. If you still can't find something you want to watch, just wait; the network plans to use the Games to promote and launch its fall shows early. Hopefully, that plan will work better for

2012's newcomers than it did for *Joey* in 2004. (NBC, 7/27–8/12)

The Party Conventions

It promises to be a suspenseful and dramatic presidential election this fall, which is not to say that the conventions will be; they often unfold less as history in the making than as tightly scripted theater. But there's always the possibility for unexpected controversy and sparks as the Republicans take Tampa and the Democrats renominate Barack Obama in Charlotte, N.C. Or skip the main event and stay up late instead for *The Daily Show*, which will be reporting from both conventions. If the speeches aren't newsworthy, there's always fake news. (Republican, 8/27–30; Democratic, 9/3–6)



THE WEST WING



THE SITUATION ROOM



SWEARING



THE NEWSROOM



TWO AND A HALF MEN



TMZ



ANGER MANAGEMENT

Music

Summer
Preview

What's the Frequency? Sounds for every seasonal wavelength

For the house party that drives the neighbors berserk

Hot Chip, *In Our Heads*

This British electronic dance group has tongues firmly in cheek and beats firmly tethered to the new-wave era. Remember: you can't spell hipsters without hips. (6/12)

For ultimate-frisbee games on college lawns

Dirty Projectors, *Swing Lo Magellan*

2009's loopy, brainy *Blithe Orca* sent thrilled shivers through the alternative-rock world, and David Longstreth's songs here are acrobatic battles between creamy harmonies and flourishes of dissonance. (7/10)

For the day you planned to go to the beach, but it hailed

Fiona Apple, *The Idler Wheel Is Wiser than the Driver of the Screw, and Whipping Cords Will Serve You More than Ropes Will Ever Do*

The "Criminal" ingenue is in her mid-30s now, and her onstage previews of material from her long-awaited (and longer-titled) fourth album have had audiences raving. Its subdued but deeply freaked-out opening track "Every Single Night" sounds like a music box hallucinating after 24 straight hours of Tim Burton movies. (6/19)

For the Fourth of July BBQ

Neil Young and Crazy Horse, *Americana*

The veteran Canadian rocker's first album with Crazy Horse since 2003 is a high-concept head scratcher: a set of American folk standards, from a full-throttle electric rendition of Stephen Foster's "Oh! Susanna" to Woody Guthrie's "This Land Is Your Land," concluding with a rewritten version of the British national anthem "God Save the Queen." There's also a children's choir involved. (6/5)

For the afternoon there's nothing on TV but conventions

Ry Cooder, *Election Special*

Roots-rock guitarist and Buena Vista Social Club mastermind Cooder has been cranking out a string of politically charged songs over the past year, like "The Mutt Romney Blues," sung from the point of view of the presumptive presidential candidate's car-roof-riding dog. Will this quickie swing undecided voters? Questionable. Will it swing? Almost certainly. (6/26)



For the house-guests who have overstayed their welcome

Chris Brown, *Fortune*

Over the past six months, Brown's been turning up as the guest star on R&B singles by pretty much everybody, including Rihanna, the ex-girlfriend he battered so severely she had to be hospitalized. But none of the songs released so far from his sequel to last year's *F.A.M.E.* suggest that he's got much beyond belligerence to offer these days. (7/3)

For the road trip to the CBGB Festival in New York City

Patti Smith, *Banga*

National Book Award winner and old-school Downtown NYC rocker Smith is a dedicated memorialist. Here, she pays tribute to Amy Winehouse and the victims of the 2011 Japanese tsunami. (6/5)

For a night indoors

Usher, *Looking 4 Myself*

The seventh album by the reigning emperor of R&B is lighter than air and sexy as hell: it's been previewed with songs called "Scream" and "Climax." (The latter has already hit No. 1 on the R&B chart.) The tormented, confessional tone of Usher's recent albums lingers around the new songs, while his radiant falsetto lets him turn on the come-hither even when he's singing about breaking up. (6/12)

For weather so hot and muggy, you're pretty sure you're hallucinating

Neneh Cherry and the Thing, *The Cherry Thing*

It's been a while since we've heard from "Buffalo Stance" singer Cherry, but her collaboration with a Scandinavian jazz trio isn't a total non sequitur. She was born in Sweden, and her stepfather was jazz comet Don Cherry—one of whose compositions she covers here, alongside songs by New York synth punks Suicide and hip-hop weirdos Mad-villain. (6/19)

For the girls' night out

Justin Bieber, *Believe*

As of this March, Justin Bieber is 18. He is old enough to vote in his native Canada. He can legally drink in Quebec. He has more followers on Twitter than there are people living in Chile. His new album's first single is about what he would do if he were your boyfriend. Its second single is dedicated to his mom. (6/19)



Keep Dad in the Game!



Did you know that you can make a difference?

First, talk to your father, brother, grandfather, uncle and friends about prostate cancer and remind them about the importance of a routine prostate exam.

Then, during June, call **800.798.CURE** and make a pledge for the Prostate Cancer Foundation's Home Run Challenge.

For more information please visit **pcf.org**

800.798.CURE

pcf.org



**PROSTATE CANCER
FOUNDATION**

Major League Baseball trademarks and copyrights are used with permission of Major League Baseball Properties, Inc. Visit MLB.com

Joel Stein



My Mitt Moment

In which I apologize for being a sexually immature jerk (in high school)

I'M ALL FOR A LITTLE HIGH SCHOOL bullying. You don't become a successful humor columnist without having gotten bullied. It drives you to take on the powerful and famous with lame jokes about their haircuts from the safety of your computer screen. If it weren't for bullying, I'd be a contract lawyer.

So when a bunch of Mitt Romney's high school friends told the *Washington Post* that nearly 50 years ago, Mitt gathered a posse to pin down a kid and cut his long hair, I didn't find it that upsetting. That's because the article didn't say Romney gave the kid his own haircut.

If we eliminated from contention all the people who did horrifying things as kids, all our Presidents would be women who were unpopular in high school. Which would mean 70% of our budget would go to commissioning paintings of horses. I know that if I met my 17-year-old self, I would beat him up, and not just because he would be the only person in the history of the planet I could successfully beat up. But the particular awful stuff we each did reveals a lot about our characters today. That's because most of us don't fundamentally change. President Obama's need to get along fits with his use of pot and cocaine when he was young. My preschool friend Joey Banker has become an incredibly successful dentist and a great dad, but there's no way I'd vote for him for President after the number of birthday cupcakes he smashed into his own face. That's a guy who shouldn't have nuclear codes.

A lot of people I went to high school with wouldn't vote for me. Neither would nearly all the women I've ever dated, both of my college roommates and the people I work with at TIME.

Also, nearly all of America. And they're right. In high school I cheated on tests, which reveals that my ambition often overwhelms my morality. I stole not just CDs but cash from the store I worked at, which demonstrates my anger at authority and my sense of entitlement. I spent more than a year calling my parents Babe, which means I was raised by people who allow their child to call them Babe.

But there were a few weeks when I did something far worse that has bothered me ever since. I would run up to girls I knew and "tweak" them, which involved grabbing one of their breasts and running away as they chased me. During my senior year of high school. When I was 17 years old. I believed this would be a hugely successful flirting maneuver that would catch on at high schools across the U.S. I did it to probably a half-dozen friends of mine—until one of them told me off and I realized how badly it was going over. The fact that I was not expelled, arrested or shot can be explained only by the fact that this took place in New Jersey.

Even though I like to believe a totally different person did this, one whose identity I've long since shed, along with the mullet that went down to my lower back, I know that's not totally true. I know I still objectify women. I know I am still sexually immature. I know I still can't express myself in direct ways. And I know these confessions make it unlikely not only that I will ever be President but also that you

will finish reading this column.

Like Romney, I want to say that if these allegations are in fact true—which is likely, since the allegations are coming from me—I want to apologize. So as difficult as it was to do, I decided to apologize to one of the girls I attacked. And just like the kind of guy who grabs girls and runs away, I apologized over e-mail instead of calling.

I was hoping she'd tell me she'd forgotten the incident or that it wasn't as bad as I remembered. Instead, within an hour, Jessi Pagach wrote me back:

"Reflecting on this now brings the painful memories rushing back.

It pissed me off. You ran away. I thought you were an a-----

for the action and then a p----- for running." She said it prepared her for a "world where countless times in my future I would be 'tweaked,' 'pinched,' 'groped' and treated 'rapey' without solicitation or reason by

other creepy men I would encounter throughout my life." She also updated me on her life, wrote "best to you" and used a smiley-face emoticon.

Jessi also talked about how—while she will kick me in the testicles next time we meet (she believes that action is called a "tat")—she was slightly empowered by my horrifying behavior, since her attractiveness had caused me to act so inappropriately. Being a teenager is a confusing time. Which does not in the least excuse my behavior but does excuse the fact that this happened backstage at a talent show I was hosting while wearing a cummerbund and bow tie that I tie-dyed myself.

I wish I could go back in time and change the way creepy young me behaved. Also, I'd like to pin me down and cut off that mullet. It might have fixed the root of the sexual frustration that caused all that trouble in the first place.



T. Walenta



melanoma exposed™

SCREEN. PROTECT. KNOW. TELL.

SCREEN.

PROTECT.

KNOW.

TELL.

My family learned first hand how devastating melanoma can be — it's not an opponent to be underestimated.

Men are almost twice as likely to die from melanoma as women. It's almost always curable if caught early and treated properly, but it gets much harder to treat in advanced stages.

So get screened, protect your family, know your risks and tell everyone you know to expose melanoma.

Visit www.MelanomaExposed.com

Bill Cowher

Coach Bill Cowher

10 Questions

For relaxation, Powell used to restore old Volvos like this 1966 1220s



Four-star general and former Secretary of State **Colin Powell** on leadership, war and public parking

In *It Worked for Me*, you write that the two months you spent mulling a run for the presidency were the most difficult of your life. Why?

I never had any political aspirations. I'm a career soldier. But then I leave the Army, and my [first] book comes out, and there's this enormous interest in my running for office. I felt something of a guilt trip. A soldier always wants to do what he's supposed to do. But there was not a morning when I put my feet on the floor and said, "This is right for me. This is what I want to do."

Then you endorsed President Obama. Will you again?
I don't know. We'll see.

Do you think leaders in Congress stay on too long?

We need people who know how the system runs, but it really is not necessary to stay there for an entire career. When I was made a three-star general, I was congratulated and told, "Two years from now to the day, if we haven't given you another job or promotion, we expect your resignation on our desk." That's not bad.

Would you like to extend a personal invitation to any member of Congress to leave?

I don't have all of my stationery with me.

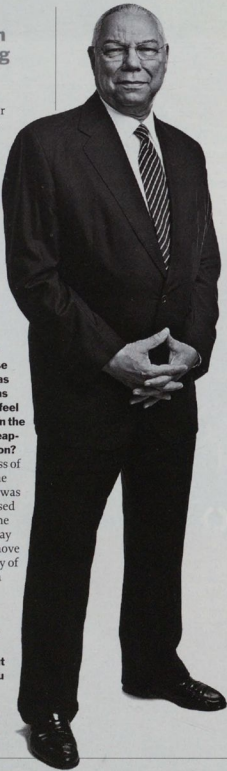
Recently we've had military scandals involving prostitutes in Colombia and soldiers mistreating remains. Is this a

failure of leadership?

You have to remember that the armed forces are very large, hundreds and hundreds of thousands of young men and women. But most of them are very disciplined. If there was a leader who saw this happening and tolerated it, that is a failure, and senior leadership should do something about it.

In your book you say Feb. 5, 2003, the day you presented the case for war to the U.N., is as burned on your brain as your birthday. Do you feel guilt for the lives lost in the fruitless search for weapons of mass destruction?
I feel bad about any loss of life on either side of the conflict, but I think it was a justified decision based on what we knew at the time. I did it, and as I say in the book, I had to move on. I was still Secretary of State. I couldn't go in a corner and go fetal.

You were in Peru on 9/11 and in Asia when some of the key decisions were made about CIA black sites. Do you think things would have been different had you been around?
It wouldn't have been any different on 9/11.



There were some things that took place with respect to interrogation and detention policies that didn't get full discussion and maybe would have had I been there.

Given WikiLeaks, is the Web a net positive for diplomacy?

It's sometimes very, very positive and sometimes very, very negative. But if you're going to live in the 21st century world, it's going to keep up with our kids. The world we're living in is moving at 186,000 miles per second. The challenge I'm having in my own personal life is little cameras. I get followed into places that I shouldn't.

Are you talking about the bathroom?

I'm talking about the bathroom. Or my neighborhood mall. I parked my new car slightly at an angle in order to avoid a pole. A student took a picture of that, and he put it online. It went viral, and people said I couldn't park. The word they used is *asshat*, a word I'd never heard before.

Post-Iraq invasion, have you made amends with Pottery Barn?

It was a newspaperman who first used the phrase *Pottery Barn rule* to describe the "You break it, you own it" doctrine, not me. To be clear: the Pottery Barn does not have such a rule.

Feel free to go in there and break anything.

Go break whatever you want. You don't have to pay for it. I didn't say that.

—BELINDA LUSCOMBE

▶ FOR VIDEO OF THIS INTERVIEW, GO TO time.com/10questions



good state



better state

Everyone loves a good combo. You can save an average of \$760* by combining your auto and home insurance. Soak up the savings at statefarm.com* or call 1-800-STATE-FARM today.

Get to a better State®. Get State Farm.



*Average annual per household savings based on a 2010 national survey of new policyholders who reported savings by switching to State Farm.

State Farm Mutual Automobile Insurance Company, State Farm Indemnity Company, Bloomington, IL
State Farm Fire and Casualty Company, State Farm General Insurance Company, Bloomington, IL



Before I have kids I want to:



ALL-NEW
CR-V

Get going in the all-new, 31-mpg-highway* Honda CR-V.

You know that list of stuff you want to do before all that other stuff you're supposed to do? The technologically advanced, up-for-almost-anything Honda CR-V was built to help you check off every last item. What are you waiting for?

Make your **LEAP LIST** Now at leaplist.honda.com

EX-L model shown. *23 city/31 hwy mpg for 2WD models. Based on 2012 EPA mileage estimates. Use for comparison purposes only. Do not compare to models before 2008. Your actual mileage will vary depending on how you drive and maintain your vehicle. ©2011 American Honda Motor Co., Inc.